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West Europe Report

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INTERCHURCH PEACE COUNCIL OPPOSES NUCLEAR WEAPONS

Reactions to Synod Stance

Rotterdam NRC HANDELSBLAD in Dutch 25 Nov 80 p 3

[Report on CDA (Christian Democratic Appeal) and PvdA (Labor Party) reactions to a Reformed Synod resolution supporting the Inter-Church Peace Council (IKV) stand against nuclear weapons in the Netherlands]

> [Text] The Hague, 25 Nov--Dr R.F.M. Lubbers, the CDA delegation leader in the Second Chamber, reacted reservedly to the resolution by the Synod of the Reformed Church that not only the use but also the possession of nuclear weapons must be refused.

At a CDA meeting in Drachten, Lubbers said he had no difficulty with the statement "as a pious wish," but he warned at the same time that this statement must not be taken as a concrete voting recommendation.

Dr J.M. Den Uyl, the PvdA delegation leader, expressed himself yesterday in a reaction as satisfied with the intent of the statement, but found it lacking in clarity as to the manner in which denuclearization must be achieved.

Den Uyl accused the Synod of placing too much emphasis on unilateral steps: "I am sorry that the letter did not speak out about common action on the part of small countries, or about the international reactions to unilateral steps by the Netherlands."

Lubbers warned in Drachten against the danger of unilateral disarmament. "With the abolition of nuclear weapons you can provoke just those actions that you do not want. Abolition means that it is not unattractive for the Soviet Union to invade here," according to Lubbers.

De Geus

Yesterday on NCRV [Netherlands Christian Broadcasting Association] Radio, Minister of Defense De Geus (CDA) criticized the Synod's statement. "I am afraid that this sort of imbalanced statement even undermines our position with respect to the allies whom we must get to go along with us."

De Geus also opposed the intensive manner in which the Reformed Church, of which he is also a member, involves itself in the question of nuclear weapons. He saw in that an imbalanced involvement in society and charged that the church "devotes no attention, no matter how you put it" to the question of abortion.

IKV Ideology

Rotterdam NRC HANDELSBLAD in Dutch 27 Nov 80 p 7

[Article by G. Van Benthem Van Den Bergh: "Nuclear Weapons Out of the Netherlands: Inappropriate Strategy for Peace]

> [Text] G. Van Benthem Van Den Bergh is the senior scientific worker for international relations at the Institute of Social Studies at The Hague and a member of the Labor Party.

The Netherlands does not possess nuclear weapons nor the capability to produce them quickly. Still nuclear weapons threaten to become the most important issue in the coming elections. The Reformed Synod has now also supported the program of the Inter-Church Peace Council, while the Dutch bishops are advised to do the same in a report by Pax Christi published at their request. In the Labor Party the tide threatens to turn on Den Uyl, and in D'66 [the Democrats of 1966] and the CDA as well the battle is in full swing. Should the PvdA congress support the IKV slogan "Ban the Bomb From the World Starting With the Netherlands," the CDA-VVD [People's Party for Freedom and Democracy] coalition will continue to govern for a long time.

The penetration of the IKV proposals through domestic politics now overshadows the discussion about the meaning of that about which it is really all about: the contribution of the Netherlands' foreign and defense policy to preventing a nuclear war. The question of whether the IKV program is based on an accurate diagnosis of the illness (arms race; nuclear proliferation; militarization of international politics) remains in the background, just as does the related question of whether the measure recommended in the IKV proposal can contribute to recovery. That is sad, for the attempt by the IKV and Pax Christi is important enough in itself. I prefer the IKV to the doom thinkers, who tell us that a third world war--the nuclear apocalypse--is unavoidable.

All the more, then, do I regret that the IKV is so fixed upon nuclear weapons, that it concentrates on a derivative rather than on the real source of the danger: the rivalry between the major powers, specifically the triangular conflict among the Soviet Union, China and the United States. Instead of blowing away the smokescreen of myths surrounding nuclear weapons, the IKV supports the atomic weapons mythology. In so doing, the IKV reinforces--unintentionally, I assume--needless feelings of anxiety.

The IKV proposal is based on a false diagnosis. In that it resembles blood letting a great deal, which was also a cure-all based on inadequate knowledge which could sometimes so weaken the patient that he died not of the illness but of the cure. It is not as bad as that with the IKV slogan, but the nature of the proposed remedy does bear a resemblance to blood letting. If nuclear weapons but be removed from the Netherlands, the patient (the world threatened by nuclear war) will recover of itself.

Magic

Sadly enough, there is no single reason to suppose that that will really happen. Instead, more reasonable chances the Netherlands has to use its influence for the good are made more difficult by it. The IKV does not involve the more reasonable chances, such as that the Netherlands urge the transition to a minimal nuclear deterrent force within the NATO framework--in its own arguments. That sort of proposal is more complicated and cannot be incorporated as handily into a slogan appealing to magical and moralistic thought. But the IKV and Pax Christi themselves say that the discussion must not deal with the slogan, but with the argument on which the IKV proposal is based. Therefore, in the following I will make use of the recent Pax Christi report, RK KERK [Roman Catholic Church], nuclear weapons and disarmament.

The Pax Christi report is based on a book that appeared in 1962 by the American social psychologist Charles Osgood. In it he worked out a proposal to reach disarmament in a period in which the United States and the Soviet Union were still involved in the Cold War. It is recognized as GRIT (Graduated Reciprocation in Tension Reduction), and is discussed exhaustively by the current chairman of the IKV, the Groningen polemologist Ben Ter Veer (in TRANSAKTIE, December 1971). Osgood's proposal, modified for the Netherlands by Ter Veer and the IKV, can be reduced to this: a unilateral step towards disarmament is made by the United States without requiring a quid pro quo from the Soviet Union in advance--in the hope that this step will be answered and that in this manner a disarmament process can be set in action--whether or not it is formalized in negotiations and treaties.

No Answer

At the time, it was not a bad proposal--and it need not be one today. But then it must be undertaken by one of the major powers itself, which would be able to use it to stabilize the nuclear balance of power and put an end to the race in nuclear arms technology. But what is the IKV doing? It is simplistically substituting the Netherlands for one of the powers that possesses nuclear weapons, and maintains without a shred of evidence that one of the East European members of the Warsaw Pact would be able to answer the Netherlands. In this way the Netherlands would be able to bring the United States and the East European countries would be able to bring the Soviet Union to put GRIT into practice. How can a polemologist like Ter Veer dare to announce that?

In the first palce, there are sharp indications that no nuclear warheads are stored in East Europe, only weapons systems on which nuclear warheads can be mounted. The Russians are still more afraid of their own allies, and their own weapons, than the Americans. But it is even more important that, in view of the internal tensions existing within East Europe, there is no sign of a chance that any East European country will cross the foreign policy of the Soviet Union. The East European countries have no margin for that, if they ever had any. In a discussion with one of the authors of the Pax Christi report, he pointed out to me the good relations Pax Christi has in Poland, but he had to admit that it was out of the Question that under the present circumstances Poland could permit itself even the slightest deviation from the foreign policy of the Soviet Union. And what does former Minister Trip (DE NIEUWE LINIE, 5 November 1980) say on the question of what Pax Christi would have to do if the expected answer to the Netherland's

unilateral step were withheld? "Then we wind up in a very difficult situation, because on the forche of our own principles we cannot continue endlessly making unilateral steps--that would mean unilateral disarmament and Pax Christi does not want that." But it is out of the question that the Netherlands' unilateral step be answered.

The IKV slogan is furthermore misleading because the Netherlands itself does not have nuclear weapons at its disposal at all. The talk about nuclear weapons tasks, which is pivotal to the current discussion in the Labor Party, is also misleading. The Netherlands does not have any jurisdiction at all over the nuclear warheads themselves. Dutch soldiers are employed in the outermost ring of guards at nuclear weapons storage facilities, and the Dutch armed forces within the NATO alliance are equipped with weapons systems (Starfighters, Lance rockets and howitzers) on which nuclear warheads can be mounted. But the Netherlands has no say as to the employment of them--except (in theory) that it can prohibit that employment. The removal of nuclear warheads from the Netherlands and withdrawal from "nuclear tasks," then, mean practically nothing to the suppression of nuclear weapons. The only result is that nuclear warheads will be transferred to other NATO countries, and that the weapons systems assigned to the Dutch armed forces will be reassigned to other--read German--armed forces. The Dutch position in NATO would then be comparable de facto to that of France.

Quicksand

Therefore the IKV agrument is founded on quicksand. It is a form of blood letting that does not contribute to the recovery of the patient. It can only give the Netherlands the appearance of having its hands clean, without it costing anything. If the IKV wants more than moral and ethical purity, it will have to work out proposals on the basis of which Dutch foreign policy can contribute to increasing the chances for peace and security in the world. That demands a better diagnosis of the tensions and conflicts that can lead to war. That is not primarily a matter of nuclear weapons, but of the continuing rivalry between the great powers. Nuclear weapons contribute to increasing the self control of the leaders of the great powers and thus also fulfill positive functions along with the great dangers which are implicit in their existence.

Therefore tapping the world's veins is not the remedy, but the stabilization of the balance of nuclear power and the prevention as far as possible of further proliferation of nuclear weapons in the world. Therefore the IKV's thinking ought rather to be directed towards the renewed thinking in terms of the possibility of limited nuclear war and towards the continuation of the technological arms race, which could in the future disturb the now existing nuclear balance of power. Besides that, the Netherlands (and Western Europe) could help oppose the militarization of the Third World and can reduce the penetration of the rivalry between the major powers into the Third World: the Middle East, Southeast Asia, Southern Africa, Latin America. Such a peace strategy makes it necessary that the Netherlands is taken seriously in the international forums where influence can be exercised and that it be judged by the content of its proposals. A Dutch government that would carry out the current IKV proposal, on the other hand, could count on the reaction: "If you want to put in your two pins worth, put up your two pins."

If the IKV and Pax Christi do not want to give up on this blood letting, and want to take their own proposals seriously, then they would do better for the time being to sing one note lower.

6940
CSO: 5100

LOW ELECTRICITY CONSUMPTION CAUSES EXCESS CAPACITY

Duesseldorf WIRTSCHAFTSWOCHE in German 28 Nov 80 p 27

> [Text] The citizens of the FRG have hardly consumed more electric current this year than in 1979. The supply enterprises of the electrical industry bank continue, nevertheless, to count on further vigorous growth.

Only months ago Volker Hauff, at that time Bonn's minister for research and technology, warned the FRG electrical industry: "It is not sufficient for the enterpreneurs of the electrical industry to use their monopoly position one-sidedly to increase electric current production without considering the FRG's heating requirements."

The consequences of such an entrepreneurial policy have now been made clear by Reimut Jochimsen, economy minister of North Rhine-Westphalia: "The peak annual load of the power plants was about 53,000 megawatts in January 1979. If the Brunsbuettel, Unterweser and Lingen nuclear power plants had been available, we would have had an overcapacity of about 13,000 megawatts of electric current."

Nevertheless, the overcapacity even today is considerable. According to information from the Munich Ifo-Institut fuer Wirtschaftsforschung [Institute for Economic Research], about 5,000 megawatts of available capacity is not used. This is because, contrary to all forecasts of the electrical industry, development of electric current consumption stagnated in the first half of 1980. The economic researchers from the Isar prophesy that in view of the "probable reduction in the growth of the economy in the second half of 1980 and in 1981, only a small increase in electric current consumption is to be expected."

The electric current suppliers, on the other hand, had projected for this year an average growth of about 5 percent. Until now it was an iron-clad rule that the rate of electric current consumption is always greater than the rate of growth of the economy. From 1970 to 1979, consumption rose by an average of 4.8 percent; the gross national product, by only a real 2.3 percent. According to calculations of the DIW [German Institute for Economic Research] in Berlin, this law has lost its validity.

In coming years the Berliners expect an annual increase in electric current consumption of only 1-2 percent, which is less than the growth of the economy as estimated by the DIW itself. Up to 1985 the ratio of electric current consumption growth to economy is supposed to settle down to 2:3.

A study by Veba AG forecasts an increase in electric current consumption of about 3 percent [per year] up to the year 2000. The reasons for the reduced demand for electricity lie in the increasing awareness by industry and private households of the need to conserve, as well as the halting growth drive. This year not even a 2-percent growth is expected. In 1981 there will be no overall economic growth; indeed, there will probably be a recession.

With such indicators, says the Berlin DIW Institute, the present power plant planning should be completely reconsidered. Eduard Pestel, minister for science and art in the Lower Saxony CDU Cabinet, believes that if the present power plant planning is carried out, an overcapacity could develop which is greater than the capacity of the planned nuclear power plants. The planned figures for power plant construction provide a total capacity of about 115,000 megawatts for the year 1985. According to Pestel's estimate, electric current consumption amounts to only 87,000 megawatts. This overcapacity would be sufficient to dispense with construction of new nuclear power plants.

Paying no attention to such critical forecasts, the FRG supply companies estimate electric current requirements, now as before, as much higher. The VDEW [Association of German Electric Utilities] in Frankfurt expects an increase in electric current demand of 4.6 percent up to 1985 and thereafter, until 1991, of 3.8 percent annually.

Dr Horst Magerl, chief manager of the VDEW, also warns against excessively hasty conclusions in the area of power plant construction: "The present growth rates in electric current are conditioned above all by a slowed-down growth in the economy. It would be indefensible to extrapolate these short-term values into the future. The planning of public supply should much rather encompass the period of construction of new power plants and orient itself to the upper boundary of goals of the entire economy." Construction of a new power plant takes 10-12 years, and the federal government tries to attain a growth of the economy of between 3 and 4 percent. Moreover, electric current is increasingly replacing oil and gas.

Unrealistic growth rates and thus growing electric current overcapacities are for Magerl by no means a reason to depart from the usual luxuriant power plant planning: "Overcapacities signify in the electric current industry that expensive oil and gas power plants and environmentally unacceptable old coal power plants do not have to be operated."

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CSO: 3103

STUDY ON PRIMARY ENERGY SOURCES IN YEAR 2000

Duesseldorf HANDELSBLATT in German 25 Nov 80 p 4

[Article: "Veba Energy Forecast: Nuclear Energy Will Increase Markedly"]

[Text] By the year 2000 the share of petroleum in the FRG's energy supply will fall from the present 49 percent to 31 percent. The share of bituminous coal will rise from 19 percent to 25 percent, and the share of nuclear energy from a scant 4 percent at present to 20 percent, i.e. fivefold.

These results are reached by the most recent "Veba Energy Forecast for the Federal Republic of Germany, 1980 to 2000." According to Rudolf v. Bennigsen, chairman of the board, the report takes into account the clearly changed energy economy conditions since 1979. It starts with the premise that primary energy consumption will increase by only 100-150 million metric tons of SKE (hard coal units) to 500-550 million metric tons of SKE by the turn of the century.

The average annual rate of increase of energy consumption will thus be only 1.2-1.7 percent. The rates of increase of energy consumption and growth of the economy are growing apart increasingly because an average rate of growth of the economy of approximately 2 percent annually is assumed. The elasticity coefficient, which measures development of the rate of growth of energy consumption and growth of the economy--and which in the past was mostly around 1--will according to these assumptions be down to 0.7 in the 1980's, and to 0.5 in the 1990's.

A further increase in nuclear energy in the FRG is thus necessary, according to this forecast, in which in addition to Veba AG, the following enterprises belonging to the Veba group participated: Aral AG, Chemische Werke Huels AG [Huels Chemical Works, Inc.], Preussische Elektrizitaets-AG [Prussian Electricity, Inc.], Raab Karcher AG, Thueringer Gas AG, Veba Kraftwerke Ruhr AG [Veba Power Plant Ruhr, Inc.], and Veba Oel AG [Veba Petroleum, Inc.]. This increase is needed not only because of the international engagements reached at the most recent energy economy summit, but also because nuclear energy as a "quasi-indigenous" energy source is needed to assure the supply of the future electric current requirement and also to support the desired restructuring of energy consumption for heating purposes as well as in electric current production itself. Here the reduced growth of electric current in comparison with the past, namely, 3 percent a year, has already been taken into account. It is obvious that, in view of the desired restructuring of

energy consumption, more nuclear power plants must be put into operation besides those now under construction. Bennigsen pointed out that the oil age has by no means ended, as is often mistakenly assumed. Despite the reduction of the petroleum share in primary energy consumption up to the year 2000, to something under one-third, petroleum remains the most important energy carrier. Not last for these reasons, the daughter company Veba Petroleum will get involved in the heavy oil area, as much as possible with its own means. In this connection, the site of Orsoy may well play a role.

Extension of nuclear energy is necessary not only for energy policy reasons but also for economic reasons, as a glance at the balance of payments problem shows. The share of oil imports (1980, approximately DM 70 billion) in the FRG's total imports (1980, approximately DM 340 billion) has increased continuously, from 7.8 percent in 1980 [as published] to 21 percent in 1980. An increase in the value of the dollar by 10 pfennigs prejudices the balance of payments by DM 3.5 billion annually for oil imports alone.

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CSO: 3103

ECONOMIC DOWNTURN WORSE THAN ANTICIPATED

Hamburg DER SPIEGEL in German 29 Dec 80 pp 17-19

> /Text/ The optimistic predictions for economic developments in the coming year have turned out to be wrong. For some months past output has been smaller, fewer orders have been received, the incidence of bankruptcies has been on the rise. At the present time nobody any longer mentions even modest growth; instead people are talking of more than a million unemployed.

Only 5 weeks ago Federal Chancellor Helmut Schmidt offered the nation the image of well polished optimism. The graduate economist enthused about "tremendous opportunities" and boasted that "our economy is healthy."

Suddenly, now, we hear a totally different tune. "Heavy weather" is looming, announces part-time sailor Schmidt to his intimates: "The entire world is rudderless."

At the turn of the year the Chancellor is confronted not only with crises in Eastern Europe and the Persian Gulf to darken the world outlook. The Bonn head of government is watching the downhill slide of the economy--at home as well as abroad--,and this induces somber visions of a global collapse.

While the Chancellor's predilection for apocalyptic visions is notorious, this time he is not alone. Wherever top management met in the days before Christmas--heads of banks, industrial firms or commercial companies used the opportunity to reinforce each other's pessimism.

It is quite true: No more than waste paper are all even moderately optimistic projections and forecasts for 1981, such as the last ones produced by the council of experts. According to an intimate of Economics Minister Otto Graf Lambsdorff "the mood has turned quite surprisingly sour in the course of recent weeks."

And that although government expectations were modest enough even then. Bundesbank and Federal Government envisaged no more than a smidgen of growth for next year--slightly above zero, at best 1 percent. In these circumstances the unemployment figures would already have risen to 1.1 million in the average of the year.

Otto Wolff von Amerongen, president of the German Industrial and Trade Association and by no means a born pessimist, now considers these gloomy assessments far too optimistic and warns the economy of long stretches of "gray monotony."

The economy has skidded downhill for months. Output and orders have been shrinking since last summer, and bankruptcies are experiencing a double-digit rise. Twenty percent of industrial capacities lie idle.

The barometer represented by the mood prevailing at the Ifo Institute, a reliable alarm signal of economic change, has sunk to the same low as in the 1975 crisis. The Munich economists anticipate 1981 to show a decline in output "of at least 3 percent." The gross national product, that is the total of all goods and services, is to drop by about 1 percent in real terms. More and more firms are affected by the economic frost. Automobile manufacturers Ford and Opel have laid off thousands of employees with compensation. VW and Audi condemn their workers to idleness during unwanted holidays. Component suppliers are also affected and working short time: Many medium firms as well as the major suppliers such as Bosch, Conti-Gummi or VDO.

Similarly caught in the business stagnation are various electrical engineering corporations, especially AEG. Koerting was compelled to let go 400 employees, Grundig 2,000--mainly due to "marketing difficulties in the hi-fi sector," as they say unanimously. Other domestic products are also obviously meeting with sales resistance, for example construction machines and farm trailers, synthetic fibers and clothing. Just before the holidays the Westphalian van Delden textile corporation declared insolvency; 2,500 employees must now try to find other jobs in regions which have always suffered from a lack of industries.

The list of firms suffering underemployment reads like a guidebook to German industry: Frm AEG by way of Enka-Glanzstoff, Hoesch, Kloeckner, Magirus, Mannesmann, Nino, Roechling and Siemens to AG Weser--hardly one major name is missing.

Lately delegates from firms and associations met in Berlin with researchers at the DIW Institute to arrive at a consensus about the outlook for the future. The result was quickly to hand: Aside from some zeros the experts tended almost exclusively to enter minus figures in their 1981 forecasts for the various industries.

Creditreform, a credit reporting bureau, conducted a poll and concluded that the energy industry and construction will be hardest hit by the coming crisis. Guenther Herion, president of the construction association, confirmed this growing pessimism. According to him the industry's expectations have "deteriorated with each passing week."

Fear runs rampant even in the services sector which, hitherto, has remained relatively recession proof. Tour organizers Klinger and Terramar went bankrupt. The giants of the travel industry, such as Hertie, Horten and Neckermann, are closing down branches and firing more than 1,000 sales personnel. Banks and savings banks complain of suffering overpowering cost pressure.

Commerzbank and Dresdner Bank, once the stars of the economic miracle, feel severe pressure on yield: Dresdner Bank was compelled to lower its dividend, Commerzbank had to omit payment of dividends altogether--a first for a major bank in the postwar period. All banks are in the process of closing down unprofitable branches.

The figure of registered unemployed will presumably climb to more than 1.300 million this winter. If the recession persists, some 1.5 million index cards of job seekers will repose in the filing cabinets of the employment offices.

The experts estimate that unemployment increases by 100,000 for every percentage point of growth lost. Moreover, next year some 170,000 additional school leavers will try for jobs in factories and offices. At the same time there is hardly one sector which offers openings to new employees.

Labor Minister Herbert Ehrenberg would like nothing better than rid himself of the effects of the recession--by discarding 200,000 work-shy shirkers from the statistics of the Nuremberg Federal Institution of Labor. Hardly anybody now mentions the "silent reserve" of 700,000 job seekers who no longer apply to the employment offices.

In this situation politicians and economists are equally at a loss. They agree only on the diagnosis. Hans-Juergen Krupp, head of the German Institute for Economic Research (DIW), asserts that "in the final analysis" the crisis was "triggered by the rise in oil prices."

If that is true--and who is to gainsay him--, the 10 percent OPEC price hike on Bali will inflict another severe blow on the world economy. For the Germans alone the latest price increase involves additional costs amounting to at least DM6 billion.

That just about sinks the hopes of the government and the Federal Chancellor for decreasing the Federal Republic's trade deficit from the astronomical 1980 figure of DM30 billion in the current account to about DM24 billion next year.

Disappearing at the same time is the possibility of holding at 4 percent the rise in consumer prices. Neither scarce money nor high interest rates will be able effectively to halt this push of imported inflation.

DIW economist Krupp complains that "we are confronted with many unsolved problems." He doubts "whether there is in fact any solution."

Economics Minister Otto Graf Lambsdorff is therefore reduced to issuing the kind of appeals to moderation, which--in a far less precarious situation--earned then Chancellor Ludwig Erhard general scorn. The Economics Minister frankly admits that Germans must save more and tighten their belts. He asks: "Is that really so bad?"

Maybe not; however, so far the recipe has not worked. While German citizens diligently carried their savings to the banks, these latter promptly shipped the money --held in trust--to other countries where interest rates are higher than here. Consequently the gap in the current account continued to widen.

The record deficit in the trade balance, still happily disregarded by the majority of the public, now also prevents the Frankfurt Bundesbank from doing that which is standard procedure at times of looming recession (at least in the economics textbooks): To lower the bank rate and, by making money cheap, induce consumers and investors to spend more.

The bank of issue argues as follows: Other countries offer interest rates topping 20 percent. Therefore far too much money already flows out of the FRG. In consideration of its balance of payments the Federal Republic must remain reasonably attractive to depositors. Bundesbank President Karl Otto Poehl considers that a lowering of interest rates "would tend to make the situation even worse."

This argument is not accepted by everyone. Labor union economists and even some politically unaligned economists such as Armin Gutowski, president of the Hamburg HWWA Institute, plead for immediate reductions in the interest rate. They reason that the Federal Republic's interest policy involves the risk of a serious stabilization crisis. And, according to Gutowski, the difference between interest rates in the United States or England and those in the Federal Republic--around 20 percent compared to some 9 percent--is so vast that yield-conscious depositors would not place their money in the Federal Republic anyway.

Like the Frankfurt Bundesbank management, federal ministers sit at their desks in Bonn doing nothing. Finance Minister Hans Matthoefer admits that "there are no" revival programs, no government billions for priming the pump. The government is barely able to finance current expenses and has long lacked the means for intervention. On the contrary: The Federal Government was compelled to make budget cuts so as not to run up even larger debts.

All of them helplessly watch the crisis which is inexorably approaching. The Chancellor, supposed to encourage the public, can think only of the ploy he has always used in similar circumstances: To point a finger at the neighbors.

According to Schmidt the French and the British, the Italians and the Americans are not doing better either. "By comparison we are still well off."

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CSO: 3103

POEHL ON DEUTSCHMARK, BALANCE OF PAYMENTS DEFICIT

Hamburg DER SPIEGEL in German 15 Dec 80 pp 36-37

[Interview with Bundesbank President Karl Otto Poehl: "'Deficit Problem Glossed Over for Long Time'"]

[Text] SPIEGEL: Can the weakness of the German mark be attributed to the customary madness of the foreign-exchange market? Or is it a case of a permanent decline?

Poehl: I do not believe that the weakness is of a permanent nature. In recent weeks and months, the valuation of the German mark has in part been related to the fact that interest rates in the United States have been rising sharply. Since the German mark is the second-most important investment and reserve currency--the dollar being the first--the consequences for the German mark are much more serious than they are for other currencies.

SPIEGEL: What are they?

Poehl: Capital movements from the German mark to the dollar and other currencies have taken place. We have experienced a relatively strong capital export and a weaker capital import.

SPIEGEL: Would there have been a much greater decline of the German mark if the Bundesbank and friendly note-issuing banks had not bought German marks for the sole purpose of supporting the exchange rate?

Poehl: There was practically no support of the German mark as against the dollar by the Bundesbank. In other words, we sold hardly any dollars for the purpose of stabilizing the German mark as against the dollar.

SPIEGEL: Was it done by the American note-issuing bank?

Poehl: Yes, the American note-issuing bank bought a considerable amount of German marks; primarily, however, for the purpose of repaying German-mark debts.

SPIEGEL: Nevertheless, there was a massive effort to support the German mark when compared to other European currencies.

Poehl: There have been relatively substantial interventions since the beginning of October within the framework of the European Monetary System. The French note-issuing bank as well as the Bundesbank had to intervene in the foreign-exchange market, because at times the French franc and the Dutch guider had reached the upper intervention point and the German mark the lower intervention point. It is nothing unusual in a system of fixed exchange rates. We did the same thing in the past on many occasions. For several weeks, however, conditions in the European Monetary System have been easing and obligatory interventions have become unnecessary.

SPIEGEL: Nevertheless, it is unusual that the German mark has to be supported. For almost two decades the German Bundesbank propped up other currencies.

Poehl: Your expression "support" sounds as if we were particularly indigent. But that is not the case. May I remind you that the FRG has the lowest rate of inflation in the European Monetary System. The unusual thing is only that the currencies of other countries, which have much higher rates of inflation, are valued higher than the German mark.

SPIEGEL: It has never happened before. How come the FRG stabilization policy is not bringing about a stable German mark exchange rate this time?

Poehl: I firmly believe that the successes in the price policy will also spread to exchange rates. In part, the current position of the German mark in the European Monetary System has purely technical reasons, because movements of the dollar affect the German mark much more severely than other European currencies.

SPIEGEL: Nevertheless, it is amazing how quickly the German mark changed from a powerful currency to one showing symptoms of weakness.

Poehl: Let me say it once again: The German mark is still one of the hardest currencies in the world; on the other hand, it is naturally understandable that the large balance-of-payments deficit of the FRG also affects the valuation of the German mark on foreign-exchange markets. Many people glossed over this deficit problem for a long time or they simply ignored it. Nevertheless, from a purely technical aspect this year's deficit of almost DM 30 billion certainly has consequences which affect the supply of and the demand for a currency. Consequently, we must do everything we can to bring about a change in this area.

SPIEGEL: And how is this feat to be accomplished?

Poehl: First of all, by improving the efficiency and competitiveness of our economy to enable us to increase our exports. The second objective must be saving oil and replacing it with substitutes. It can only be done through substantial investments, there is no other way. The bill must be paid in real terms, one way or another. In other words: Higher oil prices translate into an income transfer to those from whom we buy oil. This fact cannot be eliminated by all kinds of tricks.

SPIEGEL: Increasing exports means: sending a larger share of the gross national product abroad. Increasing investments means: earmarking a larger share of the gross national product for future use. Nothing would be left for improving the consumer goods sector.

Poehl: In real terms there will certainly be nothing or very little left for some time to come.

SPIEGEL: In other words, there is nothing left for improving the standard of living?

Poehl: That is correct. If it were possible to preserve the attained standard of living in real terms, we should be quite satisfied.

SPIEGEL: To put it concretely: During the next round of wage negotiations, labor unions should not demand more than compensation for unavoidable price increases?

Poehl: In my opinion, the next round of wage negotiations will be a crucial one. It will demonstrate whether we will succeed in overcoming this very difficult new situation or not.

SPIEGEL: Once again: No real wage increase is to be expected?

Poehl: I do not want to tie myself to figures. But everyone can draw his own conclusions from what I said, even when it comes to figures.

SPIEGEL: According to your arguments expressed in close company with employers, wages must remain low to make sure that German goods can be offered cheaply in foreign countries. In this manner exports are to be expanded. Do you think that the trading partners of the FRG would accept this without resistance? FRG Germans are already the vice-champions of the world as far as exports are concerned.

Poehl: I am not in favor of an aggressive policy of export promotion. Still, we have the highest balance-of-payments deficit among all industrial countries. Naturally, the best thing would be to increase our exports to the oil-producing countries.

SPIEGEL: Do you think there is a chance that this could be done?

Poehl: I certainly feel that there are chances, because these countries are in a stage of stormy development. The development program in Saudi Arabia, for instance--where I have just been--is committing approximately $250 billion over the next few years. Expectations are that the FRG should profit appropriately because it can offer goods of very high quality. But I also found out while in the Middle East that the competition is not asleep; on the contrary, it is becoming tougher and tougher, particularly the Japanese competition.

SPIEGEL: There can only be a gradual reduction in the oil dependency of the FRG; there will no longer be large increases in exports and imports cannot be stopped by force either. Consequently, the Germans will have to live with a deficit. How long can the hole be filled with the reserves of the note-issuing bank?

Poehl: We have no difficulties financing our deficit, even if it should remain for a longer period of time, because we have very large currency reserves, and to date our foreign debts have been very small. In my opinion it is not the most important aspect.

SPIEGEL: But?

Poehl: The most important aspect is the fact that a prolonged, very high balance-of-payments deficit can have consequences for the assessment of the value of our currency as far as those are concerned who are holding this currency, and in the meantime the number of them has grown considerably. And the amounts are very high, not only those held by OPEC countries but also those held by other central banks and private institutions.

SPIEGEL: Are you afraid that a mass flight from the German mark might occur?

Poehl: No, but since it is a reserve currency, we must pursue a policy which preserves the confidence in the stability of the German mark also abroad. Otherwise the same development could set in that we have seen in other countries, particularly in reserve-currency countries. When the confidence is shaken in a currency, the trend is to dispose of holdings in this currency and to acquire others. This danger is being minimized or even ignored by critics of the Bundesbank, although there certainly are enough empiric examples to attest to it.

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UNEMPLOYMENT STATISTICS TO BE REEVALUATED

Hamburg DER SPIEGEL in German 22 Dec 80 pp 19-21

[Article: "Only by Using Tricks"]

[Text] The Bonn coalition is searching the statistics of the Federal Office for Labor for "illegitimate unemployed people." Their goal: to lower the number by 150,000 to 200,000.

Everything had the appearance as if it had happened before: Minister of Economics Otto Graf Lambsdorff was again taking aim at labor unionists and Social Democrats.

During a meeting of employers, Lambsdorff called attention to "notorious abuses" in unemployment insurance; "illegitimate unemployed people" were to be purged out of the system. Egon Lutz, social politician of the SPD fraction, felt compelled to apologize to German unemployed people: The chancellor could "not be held responsible for every word coming from a minister."

Not for every word, but this time it was the case. The count was acting with his boss' knowledge.

The Bonn coalition partners agree that abuses in unemployment insurance must be eliminated and unemployment statistics revised. Both of these items are contained in a list compiled by Chancellor Helmut Schmidt, Vice Chancellor Hans-Dietrich Genscher, Minister of Finance Hans Matthoefer and the minister of economics. The working paper which primarily contains politically sensitive plans is under lock and key in the chancellor's office.

In the meantime, without opposition, Minister for Labor Herbert Ehrenberg has therefore begun to implement the demands which were broadcast by Lambsdorff. It is not a matter of catching a few dodgers and taking away their "support" (unemployment jargon).

First of all, a joint work group of the Federal Office for Labor in Nuremberg and Bonn's Ministry for Labor are to take a closer look at the financial plight of unemployment insurance.

This year the Nuremberg budget could only be balanced by using tricks. Ehrenberg had tried in vain to persuade Hans Matthoefer to release monies in addition to

the planned subsidy of DM 3.5 billion. Although the federal office saved approximately DM 800 million, in the end there was still a shortage of approximately DM 450 million. But Matthoefer did not want to shell out more than an additional DM 150 million.

Nuremberg officials could not make any changes in Bonn's forecast concerning the number of unemployed people next year (average 1.1 million). Consequently they simply reduced the assumed number of beneficiaries to close the middle gap at least on paper.

As a matter of fact, not everybody who is included in unemployment statistics receives money. Approximately every third person who is registered must get along without support. In November, for instance, 968,000 people registered as being unemployed, but only 606,000--approximately 63 percent--received money. The federal agency is now implying--nobody knows why--that next year only 52 percent of the unemployed will receive payments.

Ministers Ehrenberg and Matthoefer are in agreement with this manipulation. If the labor agency runs out of money, as is expected, according to the law Bonn's minister of finance must step in anyway. Matthoefer feels that if he has to go deeper into debt next year anyway because of new economic programs, he can include in the amended budget also the additional subsidy for unemployment insurance.

In the meantime, Minister for Labor Ehrenberg conducted his own audit. He found out that the statistics and the budget of the federal agency are not only inflated because of abuses in unemployment insurance by didgers.

There are, for instance, those older unemployed persons who are leaving the work force prematurely. According to the regulations of the Pension Law, a worker who is past 60 and has been unemployed for at least 1 year can draw a pension right away. By mutual consent of many who are affected, 59-year-old persons are dismissed, collect unemployment benefits for 1 year--and sometimes they receive even a small subsidy from the company--and subsequently they enter into premature retirement. According to Ehrenberg's experts, as many as 60,000 unemployed persons fall into this category this year.

According to deliberations in Bonn, these costs could be redistributed. Firms that want to rejuvenate their work force should also contribute to the expenditures.

In addition, the Nuremberg statistics are falsified because of unemployed persons who are receiving child-support unemployment (official jargon). After leaving school and before entering a course of study or apprenticeship, the first thing many young people do is register with the unemployment office. Subsequently, the parents continue to receive child-support payments for up to 5 years.

In Ehrenberg's opinion, at least 150,000, perhaps even as many as 200,000 unemployed persons could be removed from the statistics if records were kept more accurately. But the Social Democrats are afraid of criticism from the labor unions. They do not want to be suspected of watching too closely over the workers and secretly capping the flow of funds from the federal agency.

Minister Ehrenberg is also supporting the argument that the statistics covering unemployed persons should by no means be manipulated. What is important is the "credibility" of the statistics.

According to explanations by Hermann Buschfort, Ehrenberg's parliamentary state secretary, the statistics are quite in order for experts. But they are not suitable for explaining to the German people the problem of unemployment "in a 30-second television show" at the beginning of each month.

As a result, Ehrenberg wants to closely watch Josef Stingl, the show-master of the unemployment statistics and president of the labor agency. The president has already felt the effect of it.

When Stingl proposed--not long ago--that beginning with 1981 he would have to include in his statistics also those unemployed persons who were reported to be sick--to date they have not been counted--Bonn's minister for labor objected. As has been the case in the past, "disabled sick people," Ehrenberg wrote, should "not" be counted "in the statistics as unemployed persons or casual laborers" in the future either.

The minister has good reasons: If Stingl were to carry out his intentions, the number of unemployed persons would rise at the beginning of next year by approximately 30,000 people.

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METALWORKERS UNION PROPOSES CHANGES IN SOCIAL POLICY

Munich SUEDDEUTSCHE ZEITUNG in German 20/21 Dec 80 p 23

[Article by Hans-Gerd Heine: "Challenge of Political Taboos"]

[Text] After the war German labor unions neglected social policies, because the problems were overshadowed by the economic growth. They were primarily concerned with higher wages and salaries, shorter working time and more vacation. Now, since substantial rates of growth are a thing of the past and since it will be difficult for labor unions to maintain real income at its present level, social policy will gain considerable significance in addition to wage negotiations. With these thoughts in mind, the Metalworkers Union put its ideas on the table. Karl-Heinz Janzen (54), the member of the executive committee in charge of social policy, explained in a talk with the SUEDDEUTSCHE ZEITUNG that the largest independent union in the world, totaling 2.7 million members, will challenge taboos.

Frankfurt, 19 Dec--As far as Karl-Heinz Janzen, chief social policy maker of the Metalworkers Union, is concerned, one thing is certain: During the next few years, social policy will be one of the most conflict-laden areas--within the FRG in general but also within labor unions, "because our social system is no longer just, some groups are receiving too many privileges. I can only hope that the politicians of all parties recognize the explosive situation that has developed." And the first small fires have already started. In Burgsteinfurt and Dortmund, for instance, representative caucuses are refusing to agree to additional increases in health insurance contributions; they have already risen to almost 15 percent. According to Janzen, "they do not only lack the insight into the financial dilemma of health insurance, but they are quite consciously and also understandably intent on conflict.

All Working People To Be Included

First of all, the Metalworkers Union is proposing some kind of cosmetic changes. Above all, pension, health and unemployment insurance--the three great pillars of social security--are to be relieved of all extra burdens foreign to the system and are to concentrate again on their original purpose. On the other hand, however,

some functions are to be expanded. As far as the Metalworkers Union is concerned, the pattern for the newly planned structure is the concept of solidarity: to create justice and eliminate injustice because, according to a Metalworkers Pamphlet, "solidarity restricted to one group is not solidarity but group egoism."

It follows that the Metalworkers Union would like to see the three kinds of social insurance changed into national insurances which would include all working people, laborers and clerks, professionals and self-employed people, farmers and civil servants, "because in cases of emergency every one of them is enjoying the benefits of the welfare state." The rough draft is as follows:

--Health insurance is to be standardized by establishing a system of financial compensation that provides access to other health-insurance funds or, better yet, by combining all local, indemnity, corporate and company health insurance plans into a single federal organization, setting uniform rates of contributions based on percentages, establishing standardized benefits as well as insurance and contract rights. This would be the only way to prevent a gap in contributions caused by varying structures of memberships and risks and which currently shows a spread between 7 and 15 percent. Such a rigid organization, accompanied by an unmatched stronger negotiating position, will then be able also to put an end to the scandal that legal health insurance, which is still divided into more than 1,350 health plans, is still widely exploited by doctors, dentists, hospitals and the pharmaceutical industry. The saved funds are to benefit preventative health care.

--With respect to old age insurance, the goal is for every retiree to receive 90 percent of the net income of a comparable worker. The lion's share is to be contributed by a Federal Pension Institute, to be established by combining all the different old-age insurance systems. To finance its benefits, the limit for assessing contributions is to be raised to at least twice the present amount, and to make better use of highly efficient, capital-intensive enterprises, employer contributions to this insurance are to be assessed not (only) according to paid-out compensation for work but according to the company's profit picture. The difference between the pension and the 90-percent retirement income is to be supplied from an intercompany fund, which is to be not only a repository "of company pensions which at the present itme are awarded according to a haphazard principle," but all employers are to pay into it, graduated according to their economic ability. Compared to a mere increase in employer contributions to the pension insurance, this fund has the advantage of being a kind of equalization of burdens between enterprises. The targeted collective form of company old-age pensions is preferable to any individual arrangement, because already today the means for company pensions are raised primarily by taking advantage of tax preferences, "in other words, at the expense of the general public."

Putting Out of Reach by State

The Federal Pension Institute is to be put out of reach by the state and be accorded "genuine self-government by those entitled to pensions." Nevertheless, the state is to supervise compliance with the "legal rules of the game" and be the guarantor--as is the case with savings banks communes. Its obligation to provide subsidies is to depend on the expenditures of the institute; to protect the state from unreasonable demands, however, it is also feasible to couple the subsidies by percentage to the contributions by the insured.

--In the future, unemployment insurance is to be part of an active employment policy of the Federal Institute for Labor. Its programs are to be financed through a labor market levy on all employed people, the reason being that in the end labor market and structural policy measures by the federal institute are benefiting everybody, and now already noncontributors can take advantage of the benefits provided by the labor administration; for instance, they can receive vocational counseling for themselves and their families. Above all, however, it is terribly unjust that laborers and clerks are only partially protected from the consequences of unemployment, although they are paying into unemployment insurance. Civil servants, on the other hand, are receiving comprehensive protection without any personal sacrifice and at the expense of the general public.

In the opinion of the Metalworkers Union, the most important step toward lowering the unemployment rate is the introduction of the 35-hour week and lowering the retirement age to 60 years. If there is less and less work because of the use of more and more machines, this work will have to be distributed over all those who are looking for work. If this is not done, the remaining workers will have to support the unemployed people, which is certainly not a sensible solution. The reduction in working time, which is mandated for humanitarian reasons as well, can be financed step by step through improvements in productivity. Furthermore, a clean legal ruling for the "retirement age of 60" is not really far off. If one considers the flexible age limit and numerous cases in which older workers are first "shifted to unemployment insurance" and then sent into early retirement via social plans, the advancement of the retirement age has already almost been accomplished in a roundabout way.

The objection that the army of unemployed people is primarily composed of problem groups, for instance, unskilled or older workers who cannot be returned to gainful employment even by way of an administratively created shortage of labor, is countered by a labor union with investigations according to which such problem groups are practically no burden for the labor market in areas of high employment, because a rising percentage of employment results in a reduction of the required qualifications. Consequently, these problem groups can be helped if the employment rate is increased through a reduction in working time. Furthermore, employers must do more for the development and continuous training of their employees.

Civil Service Status Back and Forth

The Metalworkers Union considers its ideas "a very wide range of goals." Politically it would be very difficult to implement them. Resistance would come from all parties and the employer camp, because everywhere there are privileged people who would have to give up something. At any rate, one segment of the SPD has already begun discussions and even within the German Labor Union Federation with its 17 independent unions something is happening in this direction. "But even if nothing should happen during the next few years, the increasing pressure on the workers caused by steadily rising contributions will lead to serious social conflicts and neither politicians nor labor unions may be able to get a handle on it." Janzen expects that all future governments will be under pressure because of this development. Therefore, as far as he is concerned, the decisive question is which government can best solve these problems. Since he trusts the FDP least in this respect--"unless it is overcome by the Holy Ghost of improvement"--and does not expect miracles from the Union either and, realistically, is not counting on an absolute SPD majority for the foreseeable future, this realization is almost self-evident: "Some things can probably be accomplished only with the help of a large coalition."

No doubt, among these things are those which relate to civil servants and their privileges. Nevertheless, the Metalworkers Union is determined: "Civil service status back and forth--they are also employees. They not only have a secure job for life, they have...also the guarantee of a programmed income development, which does not necessarily reflect an individual's respective performance. It is... altogether a totally unjustified privilege." And "the argument is not convincing that civil servants had bought their pensions because by way of comparison they were receiving a lower income during their tenure and thus had contributed to the financing. Because whoever argues in this manner, disregards the fact that civil service pay is linked to negotiated increases in income for clerks and laborers in public service.

And what are the prospects for success for all these plans? Janzen, a trained design carpenter, is proceeding from the idea that within 8 or 10 years considerable steps can be taken in the direction of the goal in spite of great difficulties in harmonizing old age benefits. Uniform health insurance and the labor market levy could go into effect soon. At any rate, the Metalworkers Union will make a big to-do if attempts are made to raise unemployment insurance contributions without a decision on this tax. With regard to the reduction in working time, he expects results "in less than 10 years, because an unemployed person costs approximately DM 22,000 annually." In 1984, as soon as the labor contract expires, the battle for the 35-hour week will start. The Metalworkers Union will use labor contracts wherever possible to do pioneer work, "be it for putting pressure on the government, be it for making it even easier for the government."

Still, there is not much likelihood that in the future civil servants will be convinced through labor contracts to show greater solidarity with the rest of the workers. In the long run, however, it will not be acceptable that grave consequences resulting from global developments, for instance, economic decline and low birthrate, be placed on the shoulders of only a part of the population. Janzen: "Our concern is not equalization but to guarantee the individual's earned claim on the social system beyond a general solidarity basis and by unifying the rules of the game."

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CIVIL DEFENSE MEASURES, OUTLAYS CALLED INADEQUATE

Bonn WEHRTECHNIK in German Dec 80 pp 41-47

[Article by Gerhard Veil: "Civil Defense--Only a Fifth Wheel in Overall Defense"]

[Text] While West Germany's military defense during the 25 years of the Bundeswehr [West German Armed Forces] developed to a respectable strength level, civil defense so far has been a stepchild, a mere body without arms and legs. The NATO definition for civil defense reads as follows: ensuring that the social system and the population will survive an enemy attack and creating prerequisites so that the civilian resources and the possibilities of the nation, if necessary, can be rapidly mobilized to support the defense effort. The civil defense planning efforts must cover an extraordinarily broad range and a large number of potential developments must be considered. These must be realistically visualized cases which, in view of the development level and the utilization possibilities of modern mass destruction weapons, increasingly involve the noncombattant segment of the population. If we look at West Germany's geopolitical location at the border between NATO and the Warsaw Pact, we can clearly see the tremendous significance of civil defense as a real supporting element in overall defense especially for West Germany whose population, in case of war, would be particularly hard hit. This is why WEHRTECHNIK is investigating the civil defense situation in Germany here.

On 13 February 1970, the federal government submitted a report to the Bundestag [Lower House] regarding the possibility of boosting civil defense, in which it stated: "The federal government firmly believes that civil defense is an inseparable part of overall defense which we cannot do without. It advocates measures for the protection of the civilian population primarily for humanitarian reasons. But it is still convinced that the action readiness and operational capabilities of the fighting forces in case of war in many respects will depend on effective civil defense measures. The federal government therefore recognizes the pressing obligations which it faces in all sectors of civil defense."

What has been done since? Regardless of this declaration, absolute priority has so far been given to military obligations down to very recent times. As a result of that, whatever was possible in civil defense could not be done even where there was adequate legislation and that was due to a shortage of funds. Stagnation also

set in where, precisely in line with military requirements to secure operational capabilities, much more should have been done.

Private shelter construction came to an almost complete halt.

The obsolete vehicles and equipment of civil defense and disaster assistance could not be renewed at the right time.

The disaster assistance unit and facility readiness targets, coordinated between the federal government and the state governments, could not be attained.

The food reserves were partly reduced.

Shocking Financial Situation

The expenditure ratio, established by the federal government as target, between expenditures for military and civilian defense is 1:20 and always remained in the wishful thinking stage. Instead, this ratio deteriorated to 1:60 in 1977. Only 1/60 of military defense expenditures thus was available for civil defense. In spite of many well-justified requirements and references from the ranks of volunteer helpers in civil defense, from leading community associations, from the federal states and from the federal executive branch, the majority in parliament was not prepared to assign the priority to civil defense which it should have.

The financial situation of civil defense--for which Federal Interior Minister Gerhard Baum and his ministry are responsible and, within that framework, protection for the civilian population--has not changed since then. In the budget discussions for 1980, administration critics charged that it is intolerable to allocate about DM38.5 billion, in other words, 17.9 percent, out of a total volume of about DM214.5 billion, for military defense, whereas civil defense gets only about DM739 million, in other words 0.34 percent. They considered it particularly deplorable that, compared to the overall budget increase by 5.2 percent, as compared to 1979, and a military expenditure increase by 4.9 percent, civil defense expenditures were increased only by 1.9 percent.

Thus, 25 years of neglect of civil defense--and here again primarily shelter construction--have produced a situation where only 3.05 percent of the West German population have a shelter space, totalling about 1.9 million spaces. In contrast to that, Switzerland is making shelter space available to 90 percent of its citizens and Sweden provides shelter for more than 70 percent of its population.

In none of those countries did social progress perhaps suffer due to the fact that they organized an overall defense system in which military, civilian, economic, and psychological components were given their proper standing. Although favored by nature, it is an exemplary achievement on the part of Switzerland that, between 1951 and today, it created about 6.3 million shelter spaces and Sweden supplied not much less.

Civil Defense Expansion Stopped

For all of these reasons, 23 Lower House deputies of the CDU/CSU [Christian Democratic Union--Christian Social Union] delegation in 1979 introduced a motion into

parliament, demanding that the administration--as prerequisite for balanced overall defense--issued general guidelines in which, among other things, the scope of civil defense and a gradual plan for its implementation should be spelled out. The following were demanded, among other things:

A mandatory civil defense command organization on all administrative levels;

Guaranteeing adequate personnel for civil defense, also considering the utilization of the reservist potential of the West German Armed Forces;

Simplifying complicated civil defense legislation;

Reintroduction of an obligation to build shelters;

Submission of a health protection law;

Measures to ensure the supply of the population, especially in terms of food, and

Proposals for gradual reduction of financial disproportion between military and civil defense expenditures.

Only after many months of deliberation, did the Internal Affairs Committee--as the agent of the Bonn parliament responsible for civil defense--decide on the motion on 26 June 1980; it trimmed it with the votes of its coalition majority and deprived it of its impetus. In its resolution recommendation it did to be sure agree with such requested points as general guidelines for balanced overall defense or simplification of legislation and the introduction of a health protection bill. But the more or less obligatorily formulated and rather vague resolution does not contain, for example, the opposition's demands for the reintroduction of the shelter construction obligation, the demand for guaranteeing supplies, and the demand for a reduction in the financial disproportion between military and civilian defense.

"Expenditures for military defense and for civil defense cannot be compared already because of their differing structure and a rigid ratio therefore is not a practical thing," it says in the document justifying the rejection adopted by the coalition majority on the latter point.

This situation estimate however contains some obviously dangerous mistaken thinking. First of all, the awareness of at least a part of the coalition majority in the Internal Affairs Committee, regarding civil defense, seems to be influenced by the resistance coming from some schools of thought of peace research against any kind of shelter construction, in other words, people who justify their thesis by saying that, in order to prevent war, it is necessary to keep the population in a hostage role, in order, so to speak, to give the enemy a bargaining chip against the fear of at attack. Besides, considerations regarding financing possibilities do not involve the issue of catching up in civil defense at the expense of military defense. That can be done only gradually by reshuffling the entire federal budget.

What about Morale?

And so everything will continue to remain more or less as it was and civil defense will remain a fifth wheel in overall defense. But we cannot accept a situation

where the population and thus also the economy of the federal republic will remain unprotected until doomsday. Lenin said once upon a time: "The first production force of all mankind is the worker, the working individual, if he remains alive, then we will save and restore everything."

This is why the following questions must also be allowed:

In case of war, must we die of starvation, of thirst, and must we freeze to death because of inadequate supplies?

Will our economic life then collapse due to lack of energy and raw materials?

Will the medical supply system collapse in case of war?

In case of war, will the West German Armed Forces merely be left with the job of defending cemeteries?

Is our society still ready to defend itself against the use of force from inside and outside?

But must we not then also be prepared to assign proper priority in financial terms likewise to our survival effort, as a constitutional demand which every individual citizen can address to his government--that is to say, in comparison to other areas of need?

And here is an eminently moral issue: how can politicians answer for themselves when it comes to sending a soldier to the battlefield in case of war if that soldier cannot fight with the certain knowledge that everything humanly possible has been done for the survival of his dependents? What will the defense preparedness of the West German Armed Forces be then--in spite of their weapons superiority--and what motivation will the soldiers have to risk their lives?

Col Heinz Volland, Ret., chairman of the West German Armed Forces Association, a year ago, at a conference of the Atlantic Society in Washington, as part of a discussion in the military policy commission appealed to the audience: one must realize that a purely military response to a global threat to our way of life is not enough and that responsible political leaders and the public must become aware of the serious deficiencies in the care devoted to the civilian population in the alliance as a whole.

In the Beginning Was the Law

In the following we want to illustrate the status of civil defense such as it is today. We will illustrate only its essential factors and we will start with legislation.

Civil defense is the core of civilian protection. Its legal foundations are a part of defense legislation for which the federal government has exclusive legislative authority according to Article 73, Paragraph 1, Constitution. The legal foundations of civil defense provisions in the Constitution, plus the secondary provisions and the laws on the maintenance of safety and order, furthermore, laws on guaranteeing supply functions vital to survival and to national defense, and

the laws providing backup support for the economy, food, water supply, and work; besides, regulations on supporting the armed forces through the civilian sector, such as the Federal Performance Law, the regulations on transportation services to be supplied by the railroads for the armed forces, and the military post office regulations.

Civilian protection laws have been passed as part of the three major legislative drives by West Germany in the field of defense and emergency legislation, and they are:

The First Law on Measures for the Protection of the Civilian Population (ZBG [Civilian Population Protection Law]) which, since its amendment and since the reissue of 1976, has been called the Law on Civilian Protection (Civilian Protection Law--ZSG), as part of the 1956-1957 defense legislation;

The Law on Construction Efforts for the Protection of the Civilian Population (Shelter Construction Law--SBG) as part of the 1965 Precautionary Legislation and

The Law on the Expansion of Disaster Protection (Disaster Protection Law--KatSG) as part of the 1968 emergency legislation.

These three laws cover six out of the seven components of civlian protection, that is to say:

The Civilian Protection Law covers the warning service and health protection measures,

The Shelter Construction Law, as its name says, covers shelter construction, and

The Disaster Protection Law provides for disaster assistance, self-protection, and residence regulation.

The Civilian Protection Law in its Article 1, Paragraph 1, spells out the primary mission of civilian protection as follows: "Through nonmilitary measures, to protect the population, its housing and places of work, vital enterprises, government agencies, and installations, as well as cultural assets against acts of war and to remove or mitigate their consequences." Government measures supplement the self-aid provided by the population.

The regulations contained in the ZSG on measures for health protection against dangers connected with an armed conflict merely boil down to stockpiling medical materials and the preparation of auxiliary hospitals. The peacetime stockpiles and hospital capacities would certainly not be enough in case of an armed conflict. These functions are being shared by the federal government and the state governments.

The Shelter Construction Law never became fully effective. It was supposed to introduce an obligation to build shelters in new construction projects and to promote the construction of these shelters through construction engineering regulations and through financial benefits, such as tax reductions and federal subsidies. Because of the additional financial burden connected with that as far as the federal government was concerned, the entry into force of all of the provisions of this law regarding this obligation was postponed during the 1965 budget crisis first of all

for 2 years and then some more. This legal situation basically still applies today.

The Federal Law on the Expansion of Disaster Protection [Assistance], with its regulations concerning disaster assistance, constitutes the federal legal super structure covering the state disaster assistance laws for defense purposes which has so far been passed in eight federal states since 1970. In the disaster assistance sector, as a part of safety and public order law, legislative and law execution authority rests with the federal states; but beyond that, the federal government has the right to legislate for the defensive portion of this area.

Motley Organization

Article 87b, Constitution, inserted in 1956 by virtue of the defense constitution, in its Paragraph 2 constitutes the foundation of administrative organization for purposes of "defense, including protection of the civilian population"; it thus above all concerns civilian protection authorities. Thus, federal laws serving civil defense can be executed either totally or in part through the federal government administration with the federal administrative support structure or through the states, by direction of the federal government.

The civilian protection laws, as the legal foundations for the civilian protection authorities, have utilized these organizational possibilities in almost every conceivable form so that we have here an objectively correct but very motley and extremely complicated picture of federalist administrative structure.

The minister responsible for civilian protection is the federal minister of the interior (BMI), with his ZV (Civil Defense) department. The following are organized in its sphere of activity under federal administration:

The BVS (Federal Self-Protection League),

The WD (Warning Service) and

The Technical Assistance Corps.

Among these agencies, the Federal Self-Protection League is a public corporation responsible for self-protection directly under the federal government. The federal government, the states, and the three community lead associations--the German City Conference, the German Rural Kreis Conference, and the League of German Cities and Communities--are members and thus also are responsible for the common mission of self-protection. The BMI activity sphere also includes the BZS (Federal Civilian Protection Office) in Bonn-Bad Godesberg which, as the higher federal government agency, directs the particularly important components of civilian protection, that is:

The WD (Warning Service),

The THW (Technical Assis$_{ta}$nce Corps),

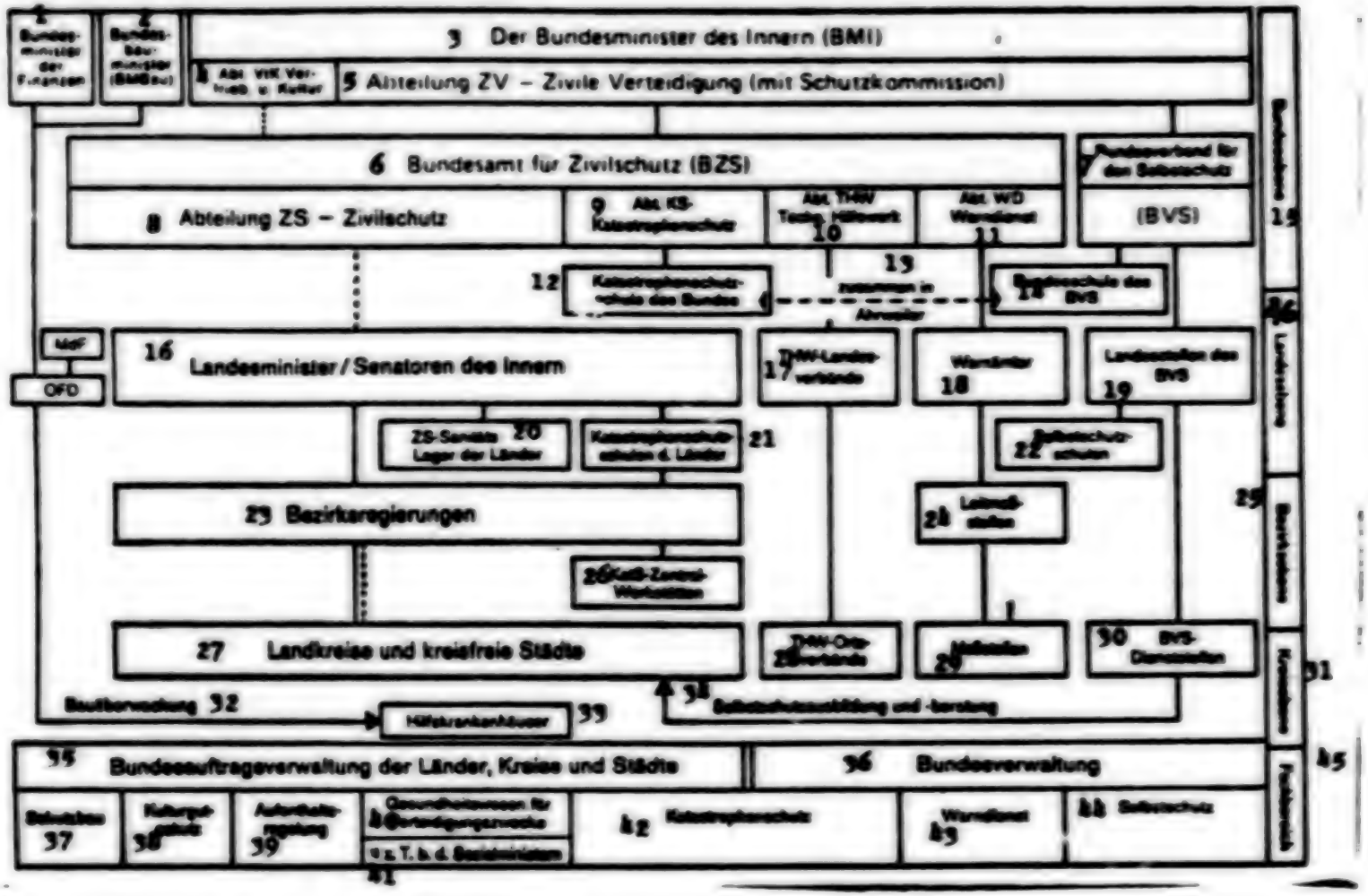
KS (Disaster Protection [Disaster Assistance]) and

ZS (Civilian Protection).

Disaster assistance--which has been expanded in view of the dangers and damages threatening particularly in case of war--is being carried out under the supervision o the KS department of the BZS by the state and community authorities, by direction of the federal government.

The other civilian protection tasks are being taken care of by the ZS departments of the BZS.

[Key to diagram on following page]
Civil Defense Organization
Key: 1--federal finance minister; 2--federal construction minister (BMBau); 3--federal minister of interior (BMI); 4--VtK department--sales and cultures; 5--ZV department--civil defense (with protection commission); 6--federal civilian protection office (BZS): 7--Federal Self-Protection League; 8--ZS department--civilian protection; 9--KS department--disaster assistance; 10--THW department--technical assistance corps; 11--WD department--warning service; 12--Federal Disaster Assistance school; 13--together in Ahrweiler; 14--BVS Federal School; 15--federal level; 16--state minister/senator of interior (partly under the social ministries); 17--THW state associations; 18--warning offices; 19--state agencies of BVS; 20--ZS medical depots of the states; 21--disaster assistance schools of the states; 22--self-protection schools; 23--bezirk governments; 24--monitoring control stations; 25--bezirk level; 26--central disaster assistance workshops; 27--rural kreises and cities not under kreis control; 28--local THW associations; 29--monitoring stations; 30--BVS duty stations; 31--kreis level; 32--construction supervision; 33--auxiliary hospitals; 34--self-protection training and counselling; 35--federal order administration of the states, kreises, and cities; 36--federal administration; 37--shelter construction; 38--cultural assets protection; 39--residence regulations; 40--health system for defense purposes; 41--partly under social ministries; 42--disaster assistance; 43--warning service; 44--self-protection; 45--technical sector; 46--state level.



Civil Defense Organization [see key on preceding page]

Civilian Rescue System Shot Full of Holes

All of the elements of civilian population protection constitute a rescue chain. To illustrate the gaps in that chain we might take a closer look at just three of them, the most important ones.

In the beginning we made reference to the deplorable state of shelter construction. But, what little we have also reveals big gaps and deficiencies and that can be illustrated by the following statics:

According to BZS surveys, as of 31 December 1978, including the projects under construction and in the planning stage, we had a total of 1,873,628 shelter spaces for 3.05 percent of the inhabitants of the FRG. But of that number, 873,147 shelter spaces have no ventilation, in other words, they are suitable only for a short stay; 540,466 shelter spaces in federal and state government agencies as well as 460,015 shelter spaces for the civilian population are ventilated and can thus be used for a longer period of time in shelter air. In other words, do we have shelter construction mostly for the priviledged?

The situation looks no better regarding measures for the protection of population health.

So far, facilities with about 84,000 beds have been completed, are under construction or are in the planning stage for the care and treatment of the injured resulting from weapons effects. Medical depots as well as completed auxiliary hospitals presently store medications, including dried plasma, for the supply of about 240,000 seriously injured for 3 weeks and bandages for an even larger number of patients.

In addition, a program has been established for equipment stockpiling for auxiliary hospitals. With 1,030 operating units, we can treat about 206,000 people.

As in the case of disaster assistance, here again the planned and prepared supply capacities start with the existence of shelters which could keep damage to the population at a low level. But because we have almost no shelters available, we are not anywhere near meeting our requirements for handling the masses of injured we would get in case of combat operations. Progress can be detected really only in disaster assistance. To cope with a national emergency, the federal government is boosting peacetime disaster assistance by 200,000 helpers and is equipping them at its expense. So far, units and installations with a total of 135,000 helpers have been set up.

A special facilities and financing program for the period of 1979-1983 has been planned and has been launched to replace obsolete vehicles along with a certain effort to complete the units.

Because of the special problems arising in case of NBC warfare, the 203 NBC platoons, which are included in the personnel plan, are being fully equipped and by 1984 an additional 40 NBC platoons will be organized.

With the help of further improvements in equipment, disaster assistance--after reaching its required personnel strength--will roughly be able to carry out its mission in case of war, if the number of people damaged due to weapons effects remains limited.

Civil Defense

Although comparable in terms of its mission to disaster assistance, the THW is an independent organization. Legally it is a federal institution without legal status; it was established during the early fifties and its headquarters are in Koblenz. Since 1958, the THW and its headquarters have been a part of the BZS.

The director of the THW Federal Agency at the same time is the vice president of the BZS in Bonn-Bad Godesberg.

The THW Federal Agency is broken down into 11 state associations (including Berlin) and about 600 local associations (in the cities they are called bezirk associations). The state associations are directed by state directors. On the local level, in addition to the full-time business managers, we have almost exclusively part-time aides, totally about 67,000.

The mission of the THW is to render technical assistance:

In the case of disasters and major accidents,

The correction of local emergencies in the supply of the population, in the public health service, and in vital transportation and

In civilian protection.

On the basis of the 1968 Law on the Expansion of Disaster Assistance and the subsequent state disaster assistance laws, the THW cooperates in both peacetime and national emergency disaster assistance of the kreises and the cities, where it in particular handles rescue and repair services.

ZMZ--Civilian-Military Cooperation

The essential taks of civil defense, in case of war, also includes providing support for the armed forces with the objective of establishing and preserving their operational capabilities. In this context, it must see to it that personnel and equipment requirements are met, it must take care of transportation functions, and it must provide telecommunications links; it must also make local resources available.

Civil defense can accomplish this entire list of tasks only in case of very close civilian-military cooperation, in other words, only in case of early and precise coordination with the military requesters.

In addition to the civilian administration, ZMZ is the responsibility of NATO command authorities, the Territorial Army, and the West German Armed Forces Administration. Because the Territorial Army will remain under national command also in case of war, the support function of civil defense extends to cooperation with the Territorial Army which consequently in this field has a certain middleman role with respect to the NATO command authorities but also with the German Field Army that is assigned to NATO.

On the regional level, the state governments deal with the defense district command and administration. For the institutional setup of ZMZ on the state level, regional study groups have been created in recent years for peacetime cooperation. They include representatives from the state governments, the defense district commands, the defense district administrations, NATO commands, the federal railroad divisions, the senior post office divisions, the state labor offices, as well as the border guard command. These study groups act as coordinating bodies and take up topics such as:

Facility protection,

Coordination of alert measures,

Population movements and refugee control,

Traffic planning for highways, railroads and waterways,

Traffic control,

Local resources,

Barriers and bottlenecks,

Telecommunications,

Medicine and health service as well as

Civilian protection and NBC defence.

This form of very close cooperation is paralleled also on the community level.

All of this clearly shows that military operations cannot be properly directed without a well-functioning civilian support system because military defense depends on the full utilization of the civilian potential. But in this way civil defense once again underscores its decisive contributing role in the context of overall national defense.

5058
CSO:3103

WEST BERLIN MAYOR ON DETENTE, EAST-WEST RELATIONS

Bonn DIE WELT in German 6 Dec 80 p 2

[Interview with Mayor of West Berlin Dietrich Stobbe by Wilfried Hertz-Eichenrode; time and place not given]

[Text] WELT: President Carter has, along with the state and government heads in the European Community, expressed his great concern over the perceptible military encirclement of Poland by the Soviet Union. What concern does the ruling mayor of Berlin have over possible consequences of this situation for the divided German capital?

Stobbe: Poland is 43 miles from Berlin. We feel the effects of the situation in changed behavior in the GDR. An incursion into Poland would rend the mesh of treaties with the East which have come about in the last decade. Moscow must know: An intervention would be the end of detente.

WELT: You're saying quite clearly that an intervention by the Soviets in Poland would destroy the operating basis for the treaties with the East, including the foundation treaty with the GDR?

Stobbe: The credibility of the treaties would be destroyed, because the success of the policy of detente depends to a considerable degree on people believing in the possibility of reducing perilous confrontations.

WELT: What good are the treaties with the East in this crisis situation?

Stobbe: One cannot say that the events in Poland are a result of detente. They are a result of the social situation in Poland. But the net of treaties and agreements also protects the social change in the involved states. The governments must respect the treaties and that includes avoidance of the use of force.

WELT: Mr Stobbe, how do you as ruling mayor during a frosty time in East-West relations define the essentials of international and national Berlin policy?

Stobbe: First, at present one can best serve detente by pursuing a calm and business-like dialog with the United States over the goals of the West. Which role the United States will play opposite the Soviet Union under President Reagan must be clarified. Will the dialog with Moscow be continued as it was under

Nixon and Ford? I consider that very likely. [words missing] what Europe's relationship to the United States will be, also with a view of the crises that have arisen in the Middle and Near East. Third, when that has been discussed, the unsettled armaments questions are the principal cause for the current stagnation in detente. Therefore one must begin there. Only the entire West can do that, with clear recognition of the leading role of the United States.

The Federal Republic of Germany will have to accommodate itself to the new equilibrium. Only then, fourth, arises the question of a renewal of the German Ostpolitik, with a view to the Soviet Union and the GDR.

WELT: Did the question about the essentials concern which Western positions Moscow and East Berlin must respect, especially in times of increasing tensions, if any basis for business is to remain?

Stobbe: The Four-Powers-Agreement must function smoothly; it must be strictly observed and fully implemented. I see this agreement affected by the restrictions in visits. There can be progress only when the GDR withdraws the increase in the minimum currency exchange.

WELT: How does the ruling mayor of Berlin interpret the sentence in the federal chancellor's state declaration: "State Council Chairman Erich Honecker and I could speak for all Germans when we said that no war should ever again start from German soil?"

Stobbe: I consider it important that the governments of both German states and their top people see themselves obligated to point out as a historical lesson the necessity of peace, especially for the Germans.

WELT: Since when does the communist dictator in East Berlin have the same right to speak for all Germans, as the democratic federal chancellor of our Basic Law?

Stobbe: In the question of peace I would welcome any common interest between the chancellor of the Federal Republic of Germany and the chairman of the GDR State Council, and in this regard I would deny no rights to Mr Honecker.

WELT: In the administration's declaration Schmidt also said: "The city of Berlin should have our political, human and economic commitment." And then came the reduction of 239 million marks in federal aid for Berlin compared with the planned appropriations. Do you have cause to reflect upon the difference between the chancellor's words in theory and the practice of the federal finance minister?

Stobbe: Not at all. Berlin cannot live without the solidarity of the West Germans, but nowhere is it written that we should be free of burdens, when others must also carry them. We Berliners will do our part, even when it is difficult.

WELT: In Bonn there is now much talk about common interests of the parties in parliament in the Germany- and Berlin-policies. Where do you see such mutuality?

Stobbe: I see it only in words.

WELT: Which common interests regarding Berlin policy does the ruling mayor expect from all parties in parliament?

Stobbe: 1. All must recognize that Berlin in its exposed position needs the continuing solidarity and continuing commitment of all Germans.

2. The special interests of Berlin in Germany-policy must always be fully safeguarded.

3. This goal can be reached only when the Germany-policy is made in conjunction with our allies. I expect the parties in parliament to always recognize this necessity: No isolated Berlin- and Germany-policy.

4. The Berlin- and Germany-policy must assure the peace and in addition preserve the element of constructive change for the benefit of the people in a divided Germany. A policy of mere equilibrium, without the element of change, is not enough.

5. All practical improvements possible should be obtained for the people, even when that costs money and sacrifices must be made. At the same time the security of Berlin must always be considered. For example, an improvement in the transportation routes to and from Berlin is not just a transportation program, but also an eminently political program, because it brings us nearer to the Federal Republic.

WELT: Mr Stobbe, you keep using the term detente. Is that still credible?

Stobbe: For me there is no alternative to detente. In the background is the avoidance of an atomic war. But only an illusionist believes that a policy of detente can force upon the communist states the basic rights of our democratic Constitution. Detente cannot accomplish that. But the treaties and agreements concluded must work to make change possible in these countries. Helsinki is the right way, the right yardstick.

A policy of detente without the element of change would lead to complicity. We Berliners in particular say that. I can live in and be the ruling mayor of this city only if I contribute in my work to accommodating more freedom for the people on the other side. In that regard the slightest progress counts.

WELT: Do you still believe in "change through rapprochement?"

Stobbe: I do not accept the formula "change through rapprochement." I refer to the term "change."

WELT: Guenter Gaus has to leave his post as permanent representative in East Berlin, to be followed by Klaus Boelling. What does the ruling mayor ask of the new man?

Stobbe: The closest teamwork--which already exists with Klaus Boelling. High commitment to Germany-policy--also present in Klaus Boelling. Knowledge of the

Berlin situation--that is also fully extant in Klaus Boelling. I look forward to working together with him.

WELT: Do you personally want to contribute to the East-West dialog by inviting Abrassimov?

Storbbe: My conversations with Abrassimov were always interesting and I welcome more at any time.

9746
CSO: 3103

BARCA'S EDITORIAL CITES PCI STAND ON POLAND

Rome RINASCITA in Italian 12 Dec 80 pp 1, 54

[Editorial by Luciano Barca: "The Polish Road"]

[Text] News from Warsaw, sometimes emotional and alarming, sometimes calmer, reports that the Polish situation continues serious. After all, it was the PZPR [Polish United Workers' Party] Central Committee that emphasized that Poland is "in a state of serious political crisis." The appeal by Comrade Kania was evidence of the extreme difficulty of the situation and the need for a great sense of caution by everyone involved. He made the appeal "to the supporters of socialism, to all patriots and to people of goodwill, for the creation of a front of people of good sense and responsibility to defend the supreme values of the nationa and domestic peace." This was later and alarmingly confirmed by the document issued by the political office which met following the Warsaw summit. With growing determination compared with previous positions taken (which spoke of the manifestation of antiworker and antisocialist tendencies) it confirmed the line of struggle on two fronts (for renewal, against anarchy), but for the first time it openly referred to a "possible counterrevolutionary threat."

Poland faces one of the most difficult tests of its troubled history and is involved in problems of gigantic proportions. On the one hand it must face complex and acute economic problems which become situations of extreme hardship for the people and which would require fully functioning organizations and institutions. On the other hand, because of long years of delay, it must face new problems in the most unfavorable conditions--but it must absolutely do so if it wishes to defend the values of the nation and of socialism. These problems are not only new to its history, but to the history of socialist nations. On their solution, or progress toward their solution, depends--still more than the quantity of meat or milk provided immediately--the organization of consensus around a project guaranteed and guided by the PZPR and based on recognition of important phases of freedom and independence formerly denied or considerably limited, and the reunification of those forces that had been drifting apart, splitting, opposing each other.

If Poland succeeds in finding within itself the strength and ability to face these tasks, even with the nonpartisan solidarity--expressed with the opening of credit and material aid--of those who see the importance of the stakes in the game, it will not only peacefully gain its own new role as a nation, but will make a very important international contribution, a contribution that is really internationalist,

toward the revitalization of ideals and values of socialism. These have been obscured by degenerative tendencies and by failures produced by the bureaucracy, by inertia and above all by the inability jointly to develop a dialog on administration of the economy and the discussion of freedoms, on individual and collective political and trade union rights. Poland's success on the road to reformability of the system and its ability to adhere to the continued growth and differentiation of material and cultural needs would be extremely important for the cause of socialism and for the image, even though differentiated, of the nations that have experienced socialism.

For this reason not only Polish patriots, but all the world's socialist forces must be involved in seeing to it that Poland wins its battle and that the PZPR succeeds in fully implementing the reform line decided upon by the new leadership of the party according to postulates advanced by the workers, the peasants, the intellectuals. The path along which the Polish comrades today advance is narrow and offers no great margins for maneuver. On the one hand, Kania recalled, there is the arrogance of the old leaders, with the heritage they left, and on the other hand there is an "arrogance of a new kind which scorns constitutional order and stipulated agreements." Solidarity itself, and the Catholic Church itself, which are the PZPR interlocutors, are facing difficult problems, impatience, conflict by groups and extremists which today appear fairly marginal, but obviously which can always find space in a situation in which great expectations, disappointments, and harsh necessity imposed by the emergency are intertwined and overlap. Many difficulties are inherent in the very newness of the political picture. The necessary vigilance, which the Polish party declares it will implement "firmly," cannot let it be forgotten that if there is a communist party in power which for the first time in the history of the socialist nations must deal with the variable represented by a strong independent trade union, there is also the reverse: There is a very young trade union which for the first time in the history of the Polish working class must administer its own independence, seeking that difficult point of equalibrium that much more experienced trade unions often find it difficult to achieve: the balance between respect for the rank and file demands and the assumption of national responsibilities. Beyond the "arrogance" of this or that political prompter of solidarity or of irresponsible groups which criticize its modernization, whoever wants to make an objective judgment must take this into account and must hope that in the fertile dialog between the PZPR, Solidarity and the Catholic Church, the narrow but correct path will not be abandoned by any protagonist of Polish renewal. The articles published in TRYBUNA LUDU following the Central Committee plenary session, and the appeals by Solidarity and the bilateral Polish government-church committee to national solidarity and wisdom against possible provocations and extremism, generate positive hopes and indicate important points of convergence as a point of reference, rather than this or that single episode or accent.

But the conditions under which Poland could advance its positive process of renewal is that there is no attempt from any quarter to interfere in the choices of the Polish people.

We know very well, and the Polish people know it, that Poland is part of a certain geopolitical system and it is tied, like almost all the other nations of the world, to alliances and pacts which grow out of the division of the world into opposing blocs. But is it really necessary, every day, from abroad, to remind the Polish people of this? It almost appears as though membership in CEMA or in the Warsaw Pact cannot be conceived as a support and guarantee that can facilitate the

courageous experimentation with reforms which correct past errors, but only as a political and even ideological limitation on this experimentation and research.

We do not want to question anyone's intentions. But we think that the daily repetition by Western sources of news and commentary, which not only say it is possible, but almost certain, that the USSR and other nations will intervene in Poland is damaging and useless in addition to being provocatory. It seems to us that to claim the possibility of such an inadmissible intervention could contribute to obscuring how great a cost it would represent for the peace of the world, for socialism, for relations among peoples. As communists, we would like to be able to proclaim this impossibility with responsible assurance, almost like a brotherly protection for Poland and as an encouragement for all to use the positive values for which we struggle rather than fear as a guide.

But even seeing and rejecting the provocatory aspect of such news items, and the ulterior motives behind the use made of every single episode by the reactionary forces, we cannot and do not want to ignore the facts that have contributed to making alarming predictions credible--and already we feel this credibility is like a shadow over certain socialist nations--predictions which testify that interference and pressure is already being applied. Among these events, which finally influence all judgment on the course of events, particular importance certainly has been attributed to the articles in RUDE PRAVO because of the analogy, that appeared after the first article by PRAVDA, between the Polish situation and that of Czechoslovakia in August 1968, and the reference to the duties of internationalism and "brotherly assistance." It is really difficult to understand what internationalism is being referred to on the basis of that analogy. Or is there really someone who does not realize the irreparable injury that would be caused by armed intervention? The isolation it would bring to the responsible nations and parties? Only the most extremist American right could enjoy and find encouragement in such an event. Not the struggle for theliberation of peoples. Not the struggle for socialism of the Western workers' movement. Not the dialog laboriously started in Europe among the various components of the left. Not the initiatives of nonalignment. Not the solution of problems which past errors and structural innovations on the world level pose for the nations that so far have experimented with socialism. And is this supposed to be internationalism? No one could deceive himself by letting it pass for such and to understand or even be critically tolerant on such a basis. The PCI has said this clearly in all forums, public and private.

The solidarity that Poland needs is something completely different, and that solidarity must consist of initiatives designed to placate the international situation, of a great sense of responsibility and even clear acts of faith toward the Polish government and the new leadership of the PZPR (we recall this also for those who, behind the veil of support for this or that movement and this or that act of protest made in Poland, really want to weaken the role of the PZPR at a delicate moment). That leadership demonstrates that it is acting, in a difficult and tense situation, with the desire to advance the reforms provided for in the commitments assumed before the people and with the sense of responsibility that the international political picture must automatically dictate, in the interests of detente, to every government and every nation. Never, in any case, can or must solidarity become interference or incitement of dangerous internal ruptures among the forces and within the forces--whether they be political, trade union, or Catholic Church power--which represent the great majority of the Polish people.

6034
CSO: 3104

CGIL-CISL-UIL COMMUNIQUE ON SITUATION IN POLAND

Rome RASSEGNA SINDACALE in Italian 18 Dec 80 p 46

[Text] Italian workers are following with deep concern and careful attention the alarming newspaper reports concerning the situation in Poland.

The CGIL-CISL-UIL Federation is certain that a vast and promising process of renewal has begun in Poland within the context of its socialist society, one which aims at building new foundations for democracy and for participation by the masses of the people, while behaving with the utmost respect for economic compatibility, and therefore it emphatically pledges once again its deep solidarity with the Polish workers, even as it warns of the dangers and the tragic consequences that would ensue upon any repressive action against the Polish workers -- and voices an even more urgent warning against the perils of any military intervention. The Unified Federation confirms its approval of the Danzig agreements and stresses the historic significance of the Supreme Court to grant official recognition of the status of the new independent, worker-run union, "Solidarnose," without any ideological and political constraints, as an essential condition for restoring a credible and positive relationship of collaboration between the political authorities and the mass of the Polish people. The CGIL-CISL-UIL Federation believes that, in this promising process of renewal, Poland has within itself adequate moral energy and vital forces to enable it to advance along the difficult road to the economic, political, and social reforms necessary to their country's development, without thereby compromising Poland's fundamental goals and the structures of its socialist economy, not to mention the international continuum of which it is a part.

With this expression of solidarity and of active empathy with what is happening in Poland, the CGIL-CISL-UIL Federation takes this opportunity to announce with pleasure that Lech Walesa has accepted the invitation extended him to visit Italy, a visit which will take place as soon as his union duties allow him to take leave of absence.

6182
CSO: 3104

CGIL GUIDELINES ON INTERNATIONAL POLICY ISSUED

Rome RASSEGNA SINDACALE in Italian 18 Dec 80 pp 45-46

[CGIL executive committee press release]

[Text] The CGIL Executive Committee on 11 December 1980 released a report from comrade Militello, approved as a working document in discussion of the question of international affiliation, as well as several international policy matters.

On the affiliations question, the committee laid down the following guidelines:

1. The CGIL reaffirms its independent position with regard to existing international central labor organizations and its commitment to establish working relations and open dialogue with all of them.

CGIL's withdrawal from the WFTU was intended to mark its inability to share a view of organized labor which is alien to the experience of the labor movement in Italy, a view challenged only recently by events in Poland, but also to underscore its refusal to have any part in a world labor organization which, even in the ICFTU version, and even in view of the still unassessed ferment of dissent within its ranks, merely perpetuates the logic and mindset of the Cold War.

Hence the commitment, here reemphasized, to putting such divisions behind us and to the difficult but valid and necessary objective of working toward a new unifying policy for the labor movement throughout the world through development of independent experiments in unity in all regions of the world.

2. Within the ETUC and its and its craft structures the CGIL's deepening commitment, through the United Federation, will be directed toward making this organization an ever more closely united one and one more truly representative of all the great democratic labor unions in Western Europe, dissociating itself from any attempt to downgrade the ETUC's autonomy or its role, and hence its ability to deal with the grave issues posed by the economic recession.

3. In this spirit, a joint resolution will be presented to the Unified Federation calling for support and encouragement for the continued existence and independence of all union labor committees belonging to the ETUC.

To these goals the CGIL pledges all its unions and all their members. These goals, through a broad-based and determined political initiative, will perforce find complete and meaningful confirmation in the event. These guidelines, too,

as of now, chart the contours of the position the CGIL directorate will submit on these issues for democratic debate in the forthcoming Confederation congress. We must, in fact take a decisive stand against ongoing efforts to weaken the existence, the activities, the independence, and the role of Europe's organized labor movement, designed to facilitate a return to the divisive thinking now encountered in world labor organizations. On the contrary, it is the CGIL's profound conviction that the growth of independence and truly representative practices within the ETUC and its craft organizations is the right way and the surest way to make sure that the rich democratic heritage of the European working class will be felt and heeded in the councils of global labor and political policy-makers.

On the basis of these decisions, the executive committee, even as it voices these concerns, has duly noted the inclination of the Metalworkers' Federation to join the international WFTU. Militating in favor of this exception are a number of special factors linked with the policy of international unity pursued for years by the FLM, with the fact that this activity was contingent upon the prior withdrawal of all FLM components from the international offices, and on the continuing practice of cooperative relations with all the divers and sundry expressions of unionism worldwide; with the presence in the WFTU of the progressive sectors of American labor; and finally by the reaffirmed commitment on the part of FLM to /take a firm stand in international labor activities against any sort of Cold-War argument/ and to defend the autonomy of the FLM, opening up access to it for all European democratic labor unions and working for new relations with labor organizations in Third World countries.

In the view of the CGIL executive, the experiment about to be performed here must be consistent with the criteria set forth here, and must be verified and opened to renewed discussion in the light of the facts.

The executive committee, partly on the basis of the unity document approved by the United Federation dealing with the most important aspects of the international situation, has reminded all organizations to maintain very close connections in their thinking about the state of the international labor movement with the development of mass initiative toward the common goals of return to detente and disarmament and toward the vigorous and unwavering defense of the principle of self-determination for all peoples. Recent developments in the international situation stemming from the election of Reagan to the presidency of the United States and from his intention to resume the arms race and go back to Cold-War positions, along with the generalized heightening of tensions set off by the Soviet intervention in Afghanistan and the war in the Persian Gulf, cry aloud for a renewal of internationalist initiative by the working class, banishing the current tendency within the movement to underestimate the peril of war and encouraging united mass demonstrations to call, first of all, on the Italian Government, while remaining true to our country's international alliances, to devise and pursue a constructive policy of detente and disarmament and in favor of new relationships between North and South.

The efforts now under way to challenge the mighty process of democratic renewal in the Polish society and economy arouse in the CGIL the deepest concern and the most emphatic opposition.

The Polish people themselves determined to start that process, and they are quite capable, with the leaders and with the necessary understandings which -- in open dialectics -- have been reached between the independent unions and the governemnt, of sustaining it with due respect for economic compatibility but also with deep determination to try their own way to reach full flowering of socialist democracy.

To them the CGIL once again pledges its active support, which it will join with the United Federation in renewing when Walesa visits Italy in the next few weeks.

6182
CSO: 3104

TASKS, OBJECTIVES OF EMS SAID TO NEED RENEGOTIATION

Florence POLITICA INTERNAZIONALE in Italian Oct 80 pp 23-31

[Article by Rocco Antonio Cangelosi: "A Year of EMS and What It Has Cost Italy; Still Missing: A Common Policy"]

[Excerpts] Now that about a year has gone by, it is time to see how the European Monetary System (EMS) is working. Conclusions from Italy's membership. Prophecies of disaster fail to materialize, but the inherent fragility of the system is confirmed. The Italian government should renegotiate the functions and goals of the EMS in the context of a genuinely new start for the Community's direction. Contrasting British view.

It is now more than a year since Italy joined the EMS, and it is safe to say that the dire warnings of those who opposed that move have proved wrong, and that the system in this first year of life has done quite well.

Actually, the issue should not be viewed in the narrow terms of the EMS' demonstrated holding power, but rather in the context of what that holding power is costing the weaker economies. Flexible exchange rates are a very useful tool for stabilizing and restoring balance to economies. By using this instrument, what we are really doing is placing limits on the expansion of production in the exporting industries with a surplus at the expense of those with a deficit, eventually diminishing their capacity as the currency grows dearer.

A fixed exchange system, on the contrary, is an important component in greater integration of member countries; however, it presupposes that they make up an "optimal currency area," in which the mobility of production factors, the high level of economic integration, and the converging rates of inflation and growth make it possible to do without the flexible exchange rate to restore balance when needed. But the European Community does not seem to constitute such an "optimal currency area." One need only consider the differentials in growth and inflation, the disparate levels of employment, and the diverse

states of the balance of payments in the member countries to become aware of that fact. (Note: On this score, see the interesting analysis by L. Scatena, "The European Monetary System: Its Operation and Prospects," BANCARIA, Rome, 1978.)

The debate over the EMS seems, instead, to be centering on the issue of the advisability of achieving an inflation rate in Italy consonant with that prevailing in the other European countries. The fact is that the inflation rate is one of the objectives of economic policy: with membership in the EMS it becomes an absolute constraint, wholly unrelated to the other objectives of economic policy, such, for instance, as a rate of development similar to that in other countries.

In an integrated economic system, the individual countries are destined to become regions within the scope of that system, where the relations between economic growth and restoring the regional balances of payment take on much greater importance. Lacking the ability to vary exchange rates, the process of sectorial specialization is governed by the equalizing of absolute costs rather than of comparative costs, as it is done at the international level. In other words, what is absent is an element of flexibility in the economic system which rigidifies it and profoundly alters the mechanism for restoring the trade balances in the member countries of any future currency union.

As is already happening between regional economies, restoration of balance comes about through a supply-side streamling process, meaning that marginal enterprises will perish and the average productivity of the surviving ones will rise.

In the second place, there would be a change in the level and structure of demand, given the decline in employment and incomes earned and spent in the regions with a deficit in their trade balances. Furthermore, the fixed exchange system will facilitate expansion in the production of existing plants in the regions showing a surplus, and there will be a tendency to increase production in the dynamic sectors, and at the same time to maintain current levels in the traditional sectors.

Therefore in order to keep a fixed exchange system from becoming an additional thrust toward divergence among the economies of the member nations, it will be necessary to minimize the risks implicit in accepting that constraint.

Fitting into this context are the justifiable Italian requests for renewed equilibrium in the Community balance, the formulation of adequate structural policies, and the implementation of mechanisms designed to develop convergence among the economies of the Nine. Unfortunately, our requests have met only with statements of good intentions, which are not enough to make a dent in the profits of the prosperous countries whose interests require them to keep Community policy in their favor.

On the other hand, one might also assume that our immediately joining the EMS robbed us of a crucially important weapon for bringing pressure to bear at the negotiating table. What would our position be had we been able to retain our freedom of action in a time when monetary tensions on the international market are sorely testing the German mark, and hence the EMS?

It is also licit to suppose that in case of devaluation Italy will have to negotiate its conditions with its partners, who will probably seek to impose deflationary measures on us similar to the ones the IMF required when it granted that maxi-loan to our country.

Great Britain, though, emerged as the hands-down winner at the negotiations, which it controlled all the way: having grasped the impossibility of changing Community policy without a political effort potent enough to force the hand of the Bonn-Paris axis, it concentrated all its efforts on balance of payments disparities, thereby obtaining substantial concessions. By not joining the EMS, furthermore, Great Britain retained its freedom to play whatever tune it pleases on a key as important as the exchange rate in its attempts to face up to the aggressiveness of the mark and the crisis of the dollar.

The report from the European Parliament's Economic and Monetary Commission, delivered 16 April 1980 by the Hon. Giorgio Ruffolo in Strasburg, clearly singles out the EMS's weak points, its shortcomings, and the failures to live up to commitments on the part of the European countries, particularly by the Bundesbank. The EMS, says the report, is "a shaky and fragile structure which has not succeeded in hastening the convergence of national economic policies, has failed to resort to the measures prescribed in the initial agreement (short- and medium-term loans, intervention in Community currencies rather than in dollars), and above all refuses to adopt a common policy vis-à-vis United States currency."

The Commission report also underscores the fact that it is not possible, in forming an opinion as to EMS's operations only a year after its beginning, to refrain from an evaluation of actions designed to reduce economic imbalances and strengthen the weaker economies. Scant progress has in fact been made in either of the two directions which should be the hallmark of the process of economic integration: structural convergence and the convergence of economic policies. Insofar as the former is concerned, suffice it to recall the failure to revise the Common Agricultural Policy (CAP), the failure to introduc new sectorial policies (for energy or industry), the failure to put teeth into regional policies, and the freeze on the Community budget. Insofar as convergence goes, it has been reduced to "a problem of parcelling out the financial costs of participation in the Community budget (the English case)."

As to convergence, it can be said that the more prosperous countries have interpreted that policy to mean stern discipline in the area of the constraints of stability (in short, reducing inflation); the less

prosperout countries, on the other hand, construe it as coordination of growth targets so as to eliminate the deflationary risks of joining in the exchange agreements. In practical terms, in the area of instruments brought into play to help reduce the economic disparities between member countries, the only real novelty the EMS has anything to do with is the NIC (the Ortoli accommodation), which permits the Commission to grant loans for encouraging investments and to share in interest on such loans via rebates.

Boiled down to these, the "parallel measures" lose their very raison d'être, which was the need to compensate for the loss of freedom of monetary and exchange manipulation via broad utilization, for purposes of redistribution, of sopranational policies and mechanisms. In practice the entire EMS -- isolated from the contect in which it can achieve meaning and growth -- becomes unstable. Currency and exchange discipline -- the Economic and Monetary Commission report continues -- in the presence of economic divergence can lead only to the following alternatives: the onset of intolerable adjustment costs for the less prosperous countries and, in the final analysis, their exit from the system, [or] an easing of the constraints and the transformation of the exchange system into one of free floating, controlled with increasingly frequent adjustments.

The latter seems to be the trend emerging from the experience of this first year of EMS's operations. On the external level the crucial point lies in the all but total absence of a common policy on the dollar, despite the resolution calling for such a policy passed by the European Council on 5 December 1978.

The importance of coordination in Community policies in relation to the dollar is underscored by some significant data: about three fourths of total intervention (better than $60 billion) made in the EMS were transacted in dollars and, be it emphasized, the remaining quarter is largely attributable to intervention in Community currencies by the American Federal Reserve Board.

As things stand now, then, the lack of a common policy on the dollar means, in practical terms, tacit delegation to the monetary authorities of a stronger country, Germany, who manage the issue, sometimes via understandings with the American authorities.

In conclusion, the way the EMS has worked -- viewed as a step toward currency union -- has shed some light on some good points, but also on a good many flaws which accentuate the risks of the system's fragility, particularly in view of less favorable international economic predictions.

At the European level the latest oil crisis helps to further widen the inflationary differentials (which can run as high as 14 to 15 points) and hence to generate pressures on the EMS, heightening the risk of too-frequent adjustments in parity and, in the end, the withdrawal of the weaker currencies from the system. In its relations with the rest of the world the key unknown is American policy and its impact

dollar quotations. It is certain that, because of this wide-open frontier and of the conflicts of interest that hamper construction of an agreed-upon line of defense, the EMS's vulnerability looks pretty high.

In the light of this analysis, it is therefore to be hoped that Italy will take the lead in pushing for action designed to renegotiate the EMS's functions and objectives. The drain on its own resources (the 1-percent IVA has been almost reached already) and the expansion of the Community together create a chance not to be missed for redefining the blueprint for the community in a spirit not quite so mercantilist, one evidencing greater dignity and more understanding of its peoples. In particular, it is now clearly necessary to fight, as the European Parliament says in its resolution passed on 17 April 1980 (and remember it is a center-right parliament), for shoring up the EMS's economic foundations and for its functional and institutional improvement. As for shoring up the economic base, that will take effective structural policies aimed at reducing disparities and at coorination of national policies, which will make it possible to set growth targets as well as stability constraints (which in turn implies an adequate level of planning).

From this stems the need to take action -- not foolishly ambitious action, but stubborn and unremitting action like the British one, aimed at getting via adequate means of pressure (one such for us might be reopening debate on our conditions for participating in the EMS) a review and revision in the basis upon which Community policy currently rests. A decision to do something along these lines presupposes a sharply focused political determination and a government which, relying on broad economic and social consensus, holds the right weapons for bringing an action which must inevitably run head-on against the interests of Central and Northern European farm producers, not to mention the swiftly expanding industries in that zone, and which on the political level has the thrust to impinge on the Franco-German entente.

These concerns as to the fate of the EMS were echoed again in the closing communique from the European Council of 27-28 April 1980; the need to find a way out of the present state of precarious balance by making a start at the phase that will end in economic and currency union did not escape the Council. The indications thus far available are still merely good intentions; the political will needed to break out of the current situation still a long way from evident.

The gap between the interests of the stronger currencies and those with the weaker ones is wide indeed; nor does the Community seem to have much intention, at the moment, of doing anything significant to close it. The French veto of the PAC, the freezing of our own resources at the 1-percent IVA threshold, and Germany's reluctance to shoulder any greater expenses in the structures sector are significant symptoms of the impasse the Community seems to have reached on the very eve of its expansion.

Only if the conservative trends prevailing currently in Europe are routed will it perhaps be possible to make a new and fresh start at building Europe on the basis of solid principles and in the conviction of all our peoples that Europe must work -- in its own interests -- for redistribution of wealth and for the development of the less prosperous regions, rather than working exclusively in response to the pushing and shoving of sordid national selfishness which is precisely what led to the situation of economic and political gaps and thence to today's pervasive crisis.

6182
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ROMANIAN REVIEW OF BOOK BY ITALIAN CP OFFICIAL

Bucharest ERA SOCIALISTA in Romanian No 23, 5 Dec 80 pp 48-49

[Article by Ilie Fonta of the Stefan Gheorghiu Academy]

[Text] Under the conditions of the accentuated economic, social, political and cultural disfunctions of capitalism and intensification of the struggle of the working class and other workers, the concern of the communist parties and of Marxist authors has risen to analyze the content of the current crisis of capitalist society as well as to study the possibilities for overcoming this society by implementing democratic and progressive changes in the direction of socialism. Included in this line is the book by Pietro Ingrao, member of the Direction of the Italian Communist Party and well-known Marxist researcher.*

The author feels that today we are seeing "the crisis of a certain restructuring of capitalist society, which saw its typical form in the United States in the 30's. It is a question of the crisis of a certain way of existence of capitalist society" (p 14). The crisis, which is of a universal nature, still has not received an adequate answer. As is mentioned in the work, Italy is recording the trend to solve the crisis by "corporatization of the country's political life, crumbling and fragmenting more and more the impetus coming from the masses according to the criterion of interest groups (p 20).

As we known, corporatism, as an economic and social-political doctrine, was promoted by the bourgeoisie particularly in the years following World War I, under the conditions of deepening contradictions of capitalism and the start of its general crisis. The promoters of corporatism proposed to eliminate the worker trade unions and to replace them with "professional corporations" which would promote "class harmony" between workers and patrons, to replace parliament through "national corporatist representation" called on to support the idea of placing the state above the classes. Today, through corporatism, the reactionary circles of the bourgeoisie are seeking to crumble the workers' political and professional organizatio , to move their attention from general political goals to strictly economic claims, to satisfying predominantly the group interests.

A number of political scientists assert that this trend would be a disadvantage only for communists. Really, as P. Ingrao points out, the process of corporativation will equally harm the Christian Democratic Party, the government party and the Italian Catholic world, since it will affect their ability to approach society's general problems.

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* Pietro Ingrao, "Crisi a Terza Via" (Crisis and the Third Path). Interview with R. Ledda, Rome, Riuniti Publishers, 1978. References to the work will be given in the text.

What is more, if the democratic forces do not oppose this dangerous situation, the conditions are created to assert an "anti-democratic trend which proposes to deny the very principle of political consensus." In this connection, the author stresses that a phenomenon currently is taking place whereby some "anti-democratic seeds" are being spread among certain extremist strata of the youth, groups of intellectuals, in the small bourgeoisie and even in restricted nuclei of workers, social groups demonstrating a weakening of interest in political activity, particularly in the participational institutions of democracy. Also observed is the concern of the so-called "new political forces" with strengthening their own positions in order to later strike society in its weak spots. The most conclusive example is the intensification of the activity of various terrorist groupings which place a great emphasis on their organizational and military strengthening in order to obtain maximum effects when they decide to strike at certain of society's weaker links.

P. Ingrao feels that the crisis of Italian capitalist society at the political level mainly is manifested through the emphasis on the disfunctioning of the state. He stresses that the prospects are being formed for a total blockage of the mechanisms through which the state "tends to control and govern the masses' lives" (P 15). The crisis of the bourgeois state, of course, is not a simple "defect" and capitalist society has changed a lot since World War II, while the state no longer can cope with its tasks, caused by these changes, with the stress on all the contradictions of the system based on exploitation and oppression and with the deepening world crisis of the capitalist system. The greatest part of the aspects of social life are seeing a process of socialization, while the state is not succeeding in giving an adequate answer to the problems resulting from this, since it stimulates the forms of organization and action based on the principle of individualism.

The author points out that the communist parties and the Marxist authors have the duty to intensify their theoretical and political efforts in order better to shape the attitude of the worker movement toward the crisis of the bourgeois state. This move is necessary for at least two reasons. First, it is unanimously recognized in the Italian worker movement that the capitalist state in Italy cannot be reduced to the sum of negative phenomena caused by the crisis since it also is characterized by some positive features imprinted on it by the struggle of the worker and popular movement. For that reason, the state of decay this state is in, as P. Ingrao writes, may be an occasion for its renewal and strengthening. In the end, its move in an authoritarian or democratic direction and its defense before the dangers presented by the crisis depend on the evolution of the relationship of forces between the classes, mainly between the worker class and the bourgeoisie. Second, the crisis of the bourgeois state is a real danger for society when there is a lack of progressive social and political forces determined to struggle to overcome the crisis by democratic means and to carry out progressive and innovative changes.

The work shows that a number of new social groups, not only the marginalized ones, have adopted in recent years an antistate attitude, feeling that today the state no longer is appropriate for providing for the exercising of a number of freedoms. This problem, however, cannot be solved by political passiveness but only by participation and struggle for transformation of the state, the author asserts. In this regard, among other things, Pietro Ingrao proposes to raise the role of parliament as an "important place and point in political synthesis," without which it is impossible to have the normal flow of political life. Proceeding from the finding that parliament and the other elective meetings have shown certain positive features,

the author writes: "I believe that the existence of a system of elective meetings, with the features which they have in Italy, not only has offered a favorable political framework for the worker and popular struggles but also has directed the masses toward a certain orientation with regard to the state: The procedural change in the state is sought, thus creating new opportunities for the meeting and alliance between the working class and other categories of workers" (p 70).

It is known that in recent years the Italian Communist Party has increased its efforts with a view to improving the strategy and tactics of its struggle for socialism, rejecting schemes and dogmas inherited from the past and working out strategic and tactical options which are proper for the new social, economic and political conditions. During the discussions which have taken place about these problems, there also has been talk of the possibility of a "third path toward socialism." In this connection, P. Ingrao points out that the term "third path" is only a metaphor indicating a political necessity. Giving the variety of paths for the transition to socialism, probably there also will be talk of a "fourth path" and a "fifth path" toward socialism. The experience of our century has shown that the transition toward a new society--a problem which was not exhaustively approached by the classics of the theory of scientific socialism--embraces an entire era and in no way can be reduced to a single model. It is a question of a process which entails rifts but particularly complex and contradictory situations also appear.

P. Ingrao stresses that the discussion about a "third path" lacks sense if it does not mean an analysis of current social reality, particularly crisis, and if it does not indicate the forces capable of overcoming it. This task does not belong only to the communists but to all forces of the left. Enrico Berlingeur, Italian Communist Party secretary general, pointed out at the 15th party congress: "A 'third path' we must admit, is a rather approximative picture but one which we have accepted in recent years because it has taken on a mass nature and one of scope. However, it requires explanations. The paths toward socialism, if they are not infinite, certainly are many and more and more numerous. We do not claim to indicate another model which would lack the value of the others."

The forces of the left must collaborate and unite their efforts in the difficult historic operation demanded by overcoming the crisis of capitalist society. In this regard, P. Ingrao feels that the Italian Communist Party has the merit of having overcome a negativist attitude toward social democratic experiences, with the Italian communists having analyzed these experiences carefully. Thus, the work points out that "the social democratic achievements in Europe we have seen and felt to be a reflex and answer to the advance of the masses and forward move of the situation" (p 121). European social democracy has had a number of merits in establishing the "social aid" state but today it must be recognized that this state has entered into a crisis. The communists, P. Ingrao writes, agree to analyze the history of the Italian worker movement together with the socialists but they cannot accept the hypotheses proposed by the socialists since what is important is for the analysis to be oriented toward "seeking solutions to overcome the crisis, not to elude basic historical problems but to close accounts on a true and concrete ground" of current social reality (p 130).

P. Ingrao pleads for the idea of coordinating the initiatives of West Europe's communists at the European level. As the work shows, this does not mean that eurocommunism would be a bloc of communist parties united through organizational features and identity of programs. Nor can it be reduced to a diplomatic action or isolated

development of various experiences. The communists are concerned with relating critically to other experiences and desire a critical analysis of their experience.

Recently there is much talk in western social political literature of a so-called "crisis of Marxism." Pointing out that, although they have not advanced this hypothesis, the Italian Marxists feel it necessary to relate to it, Pietro Ingrao emphasizes that to speak of a "crisis of Marxism" means that we refer to obsolete, dogmatic orientations which no longer correspond to the current stage of development of society and all the more since they cannot offer a prospect for the development of society. One also may speak of the "crisis of Marxism" when we have in mind a certain type of Leninism, the author feels, knowing that during a certain period Lenin was interpreted and understood exclusively through the prism of Stalin's concept of Marxism. But in the steps proposed by the dedogmatization of this Leninism, we must not forget that Lenin represented "the first and one of the most important theoretical rifts with the economicistinterpretation of Marxism and class struggle" (p 175).

The work points out that a self-critical analysis of the difficulties which Marxism is encountering is needed and this must be confronted boldly with the new realities and the latest achievements of science, since the danger does not exist of a loss or "weakening of theoretical autonomyand class struggle" (p 185). The working class, the communist parties and Marxist theoreticians must not avoid the difficulties which socialism is seeing; on the contrary, it is necessary to approach them courageously, with optimism, with wisdom in order to indicate the possibilities for raising the bids which they contain and to make the new society develop even more rapidly and see new steps of affirmation and maturity.

The work we have been concerned with has the merit of approaching the current and important problems given attention by the Italian and international worker movement. On the basis of the concrete analysis of the situation in Italy and in other western societies, the author formulates theoretical and political conclusions which can serve the effort of knowledge as well as the political activity of the working class which, in alliance with the other categories of workers, proposes to solve the crisis of capitalism thouugh overcoming this society and building a new society based on the principles of equality and justice and of multilateral assertion of the human personality.

8071
CSO: 2700

DUTCH SUPPORT REPATRIATION OF SURINAMERS

Rotterdam NRC HANDELSBLAD in Dutch 26 November 80 p 3

[Text] The Netherlands are prepared to give financial support to Surinamese who want to return.

> [Text] Schiphol, 26 Nov — The Netherlands and Suriname have agreed to cooperate in formulating a re-emigration policy to promote the return of Surinamese from our country to the country of their birth. The Netherlands will also lend financial support to arrangements in Suriname which promote repatriation.

This agreement became part of the third addition to a treaty between the Netherlands and Suriname regarding travel between the two countries after 25 November of this year.

The Dutch government committee under H. Molleman, the director of minorities of the Interior Ministry, who discussed the subject in Paramaribo, returned this morning.

According to delegate and committee member Westhoff, director for emigration of the Ministry of Social Affairs, the financial details are still to be taken care of. Arrangements on this aspect will be made in the future. The discussions were held within the framework of the new treaty which provides for discussions to be held every six months.

Agreements

Agreement was reached on: combined research into promising re-emigration plans, propaganda in the Netherlands, assistance by Dutch employment offices in filling vacancies in Suriname by Surinamese and Surinamese Dutchmen, assistance as regards the return voyage and housing, exchange of educational data, schooling and possible application courses.

According to the delegation the Surinamese authorities think positively about re-emigration. They would especially like the return of higher personnel needed to build up various government bureaus.

To induce top ranking civil servants in particular to go back to Suriname a recruitment committee was established in Suriname; Henar, its chairman, will soon go to the Netherlands. Suriname also promised to let the Surinamese ambassador in The Hague play an active role in the execution of re-emigration policies. Suriname also plans to open consulates in other parts of our country.

Increase

According to Westhoff the Surinamese are now leaving the Netherlands for their homeland at a rate of 50 to 60 per month. Since the present government came to power this number has been increasing every month.

Up till now there has been no cooperation in the execution of re-emigration policies. The Netherlands have been using re-emigration subsidies since 1976. According to Molleman all the previous Surinamese government did was talk. For instance, the Dutch delegation was now for the first time allowed to take a look at the results of a Surinamese study of the re-emigration pattern and its consequences. This study was completed under the Arron government. The Dutch delegation was rather impressed by its results.

The Surinamese authorities assured the Dutch delegation that there will be no difference at all in the treatment of Surinamese with a Dutch passport and with a Surinamese passport. Everybody will have the same privileges, for instance, as regards allocation of housing, land, and employment.

10319
CSO: 3105

CDA OPPOSES SURINAMESE ILLEGAL ALIENS

Rotterdam NRC HANDELSBLAD in Dutch 26 Nov 80 p 3

[Text] Utrecht, 26 Nov -- Surinamese who are illegally in the Netherlands should not count on Parliament to work towards a general pardon.

P. van der Zeil (CDA) [Christian Democratic Appeal], who is a member of the Second Chamber and of its committee to welcome and assist Surinamese, expressed this opinion yesterday in Utrecht.

However, he does believe that discussions should still be held on the structure of family relations in Suriname and on the question of why there are no agreements on a re-emigration plan in the draft of the new treaty.

Mr Roseval, the director of the Federation of Welfare Foundations for Suriname, called denying a general pardon "something scandalous, more so for a country which often boasts of its hospitality and neighborly love." He believes that a denial would give local police authorities the chance to start a witch-hunt on illegal immigrants. He said that we seem to forget that we are dealing with former Dutchmen. He declared that the political parties have also not done enough to remind the government of this responsibility. It is his opinion that the Surinamese should be given adequate time to make up their minds.

PvdA Reaction

The PvdA [Labor Party] did not like Van Zeil's remarks. A PvdA spokesman called Van Zeil's statements "tenative." "He cannot act on behalf of the entire Second Chamber."

The PvdA asked State Secretary Haars and Minister Van der Klaauw for a policy memorandum and is now waiting for it.

The PvdA spokesman added that his party favors "regularization" or "naturalization" in some form or other. He does not want to use the words "general pardon," as that might give other groups of foreigners the wrong impression.

10319
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SURINAMERS IN NETHERLANDS WORRY ABOUT SURINAME'S FUTURE

Amsterdam ELSEVIERS MAGAZINE in Dutch 22 Nov 80 pp 23, 25

[Article by Sig. W. Wolf: "No Dancing. Funny Hats Stay in Closets When Suriname Celebrates Fifth Year of Independence"]

[Text] On 25 November Suriname will celebrate 5 years of independence. For the 200,000 Surinamese in the Netherlands it is nothing to be elated about; the mood is depressed by uncertainty and anxiety about the developments in their fatherland. Even militant Surinamese organizations in the Netherlands which liked to act as representatives of the feelings of the people and used to show enthusiasm for the government in Paramaribo are keeping quiet.

Ursie Bento, announcer of the weekly program Concern and Hope needed 10 minutes on Sunday to announce the meetings of Surinamese organizations. She gasped for breath when she read the names of organizations which want to draw 200,000 Surinamese to convention halls and club buildings next week.

The Surinamese community is preparing to celebrate 5 years of independence on 25 November.

Unlike previous years there is no room for exuberant festivities. The zest is gone. Especially now that ever more precarious news is reaching the Netherlands. The military who took over on 25 February are gradually losing their goodwill among their compatriots in the Netherlands. A member of the executive committee of a Surinamese society which organized big festivities in previous years says: "Under the circumstances there is hardly a reason to celebrate."

The anxiety and especially the urge to remain anonymous is characteristic for this committee member. Few Surinamese dare to say out loud that they have given up on their military rulers.

Nostalgia and the desire to scrutinize together the situation in the country of their birth brought many Surinamese together in meetings in the past months. Their clubs are thriving. In addition to 30 Surinamese welfare societies more than 130 clubs and foundations emerged in the past years. Many organizations confine themselves to convivial meetings or stage presentations inevitably followed by dancing.

Clubs often claim to speak for the entire Surinamese community. They pretend to speak on behalf of large groups while their following is often very small.

LOSON, an organization with a core of about 200 active members is remarkably active in this respect. As the National Organization of Surinamese in the Netherlands LOSON stepped in when the interests of Surinamese came under attack. Strong messages were sent throughout the Netherlands from political platforms and the secretariat in Utrecht.

LOSON was founded 7 years ago as an umbrella organization for some leftist student clubs. From the Surinamese community it recruited core members who have little difficulty in orally expounding their ideologies. Inspired by radical, leftist principles and theories they really succeed in making themselves heard.

LOSON's secretary Dieter Blom says: "We do represent the opinions of the Surinamese in the Netherlands. No social organization has so many active members as ours." During the 7 years of its existence LOSON followed a rather erratic course. After independence returning to Suriname was promoted on a grand scale. Persons who remained uncooperative were called bad patriots. The leaders vehemently attacked Surinamese who stayed in the Netherlands. Now, 5 years later, they do not appear to have given up their comfortable existence in the Netherlands for pioneer work in Suriname which they so loudly advocated. Is this an example of misleading the people by LOSON?

Dieter Blom: "After independence re-emigration was a spontaneous idea. We believed indeed that everybody should return as soon as possible. After a few years of independence social uncertainty and suffering appeared to be spreading under the government of Prime Minister Arron. Massive re-emigration became senseless according to us. We were forced to show restraint."

On several occasions LOSON manned the barricades as interpreter of the soul of the people to spread its over-changing ideas. After the coup of 25 February it was eager to support the military. Its copiers worked furiously. In almost every meeting of Surinamese a LOSON worker grabbed the microphone to convince reluctant compatriots of prosperous times ahead. After three members of the National Military Council were arrested on suspicion of a leftist countercoup, support for the military leaders is crumbling. Dieter Blom excuses LOSON's switch as follows: "The revolution is no longer supported by the people. That makes it difficult for us. The people are hampered in their freedom to move around. They live under the pressure of the emergency situation. We repudiate the present government because it is trying hard to increase foreign influence."

At this point in time LOSON has little to gain by defending the government of Chin A Sen. Consequently it has changed its field of action to promoting the interests of Surinamese in the Netherlands and providing them with assistance. This field of action was up till now monopolized by the heavily subsidized welfare foundations. According to Dieter Blom these institutes failed in social areas important to the Surinamese, such as housing and employment. LOSON is therefore in the forefront when it comes to illegal occupation of houses and discrimination by employers and in discos.

The Front of National Support in the Bijlmermeer is upset about the fact that LOSON remains aloof from the government in Paramaribo. This organization also welcomed the arrival of the military in Paramaribo with much rejoicing. Two days after the coup a recruiting office was opened in the complex of apartment buildings in the Bijlmer and 600 Surinamese registered to go back. Up till now only 10 young men have had the courage to return for service in the national army.

In the Bijlmermeer, Rotterdam, and Utrecht the Front of National Support established people's committees to mobilize Surinamese and provide them with information which comes directly from the Memreboeko barracks in Paramaribo. "We have great difficulty in getting students to develop their own way of thinking and to avoid copying foreign ideologies," says Frits van Eijck, secretary of the Front of National Support. "Young Surinamese in the Netherlands are only interested in a Marxist revolution. That is worthless for Suriname." He is not surprised that enthusiasm for the government in Suriname is waning. "People expect wonders from Chin A Sen's government in a very short time. It is conveniently forgotten that the corruption and the moral decay of the Arron government will have to be eliminated first. A Surinamese model of its own will emerge from the revolutionary process and in the long run every Surinamese will feel comfortable about it."

To spread the ideas of the Surinamese military government the NOF [Front of National Support] tried to come to an agreement with the Surinamese-Dutch weekly newspaper which began to publish in the Netherlands 2 months ago. Paramaribo gave an orally confirmed bank guarantee. However, altercations with chief editor Paulus Mungra have interrupted the cooperation for the time being.

The NOF does not consider the depressed mood, which is the reason that funny hats will stay in the closets on 25 November, as a tragedy. According to secretary Frits van Eijck independence day should be seen as an occasion to accuse the old regime of ex-Prime Minister Arron. "On 25 November 1975 agreements were reached which were very disadvantageous to Suriname. Many Surinamese are forced to live in the Netherlands under degrading circumstances. We are therefore developing an extnesive plan for the return of Surinamese to their country." Even now, under very unpleasant circumstances which still force hundreds of Surinamese to leave the country of their birth before 25 November? Frits van Eijck: "We do not support the leadership of an army or a government. Not persons but the revolution which has been put in motion is most important to us. We maintain our critical solidarity."

It is doubtful whether this critical solidarity is adequate to provide the Surinamese in the Netherlands with faith in the present government.

10319
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ELECTION ANALYSIS: REASONS FOR COMMUNIST SUPPORT FOR EANES

Lisbon EXPRESSO in Portuguese 5 Dec 80 p 2

[Article by Marcelo Rebelo de Sousa: "Why Does the PCP Formally Support Eanes?"]

[Excerpt] 2. First and Second-Rate Candidates and Campaigns

Although the Constitution sets up a system of submission of presidential candidates in unorganized terms, making them independent of political parties and turning them over to the initiative of a group of citizen electors, not less than 7,500 and not more than 15,000, the truth is that practice has revealed the great difference that there is between candidates supported by powerful political forces and candidates tied only to an actually unorganized support base.

Already in 1976, candidate Ramalho Eanes was launched with the support of the three parties with largest parliamentary representation and his campaign was conducted under the sign of the betting by those political forces on the candidate whom they believed offered the best possibilities for promising the Portuguese people freedom and security and for carrying out in the future what he promised. And, then, the difference in the political stength of that campaign in comparison with all the others was evident.

This time, it was again clear that there were first-rate election campaigns and second-rate election campaigns. This is the same as saying first-rate candidates and second-rate candidates.

Thus, Aires Rodrigues conducted a stubborn campaign on radio and television, but he lacked material and human means and had small national penetration.

The penetration of Galvao de Melo and especially of Pires Veloso was slightly greater, but, if we look at the campaign activities that they conducted, they are miles away from the two candidacies supported by a more pronounced organized, financial and human potential.

The same can be said of the campaign of Otelo Saraiva de Carvalho, although perhaps, of all the second-rate campaigns his was the one that strove most to cover the nation's territory like a checkerboard.

All things considered, these four campaigns were far apart from the ones guided by Soares Carneiro, with the support of the Democratic Alliance, and by Ramalho Eanes,

with involvement of the PS [Socialist Party], the MDP-CDE [Portuguese Democratic Movement/Democratic Electoral Commission], the ASDI [Independent Social Democratic Association] and, already at the end of the election campaign, with an express, formal appeal by the PCP [Portuguese Communist Party] to its members and voters.

In means used and in size taken, these two were the large-scale election campaigns at this end of 1980.

3. A Candidacy for the Account of Another

The position of the candidacy of Carlos Brito was quite different. This candidacy was never intended for being pursued to the end, as we always predicted here. It can well be regarded as one of the major innovations of the presidential election campaign.

The candidacy of Carlos Brito was a candicacy for the sake of another, for the purpose of mobilizing communist voters to vote for Ramalho Eanes, going beyond the risk of indifference and abstention and withdrawing at the ideal time and by means of the ideal process to strengthen communist support of Ramalho Eanes.

The moment chosen was the beginning of the final week of the campaign, in order to give time for news of the withdrawal to be disseminated among communist voters (avoiding wrong votes that might be cast with a withdrawal announced a few hours before the election) and in order to make possible greater elan in the communists' participation in the end of the Eanes campaign, a participation already made legitimate now, because the PCP formally called for a vote for Eanes.

Earlier, the communists' involvement in public demonstrations in the Eanes campaign had to be discreet and reserved. In the final days of the campaign especially, in Lisbon and Setubal, it could be evident, because it was made legitimate by the attitude of the party itself.

The process chosen for withdrawal also aimed at strengthening the Eanes campaign. Carlos Brito announced that he was withdrawing at the beginning of the week, but the withdrawal was formalized only at the last minute, in order to be able to take advantage of broadcast time, even when it was already known that he was not a candidiate.

It is an ingenious solution to be able to support Ramalho Eanes on television and radio in the final days of the campaign. Thus, Eanes could have two broadcast times, his own and Carlos Brito's.

4. Different Strategies

A third fact coming out of this campaign was the difference in strategies between Soares Carneiro and Ramalho Eanes with regard to the two rounds in the presidential election.

Eanes staked everything on the first round, trying to maximize the assumptions of obtaining an absolute majority immediately in the first round. The idea was to benefit from the scattering of votes for Pires Veloso and Galvao de Melo and from losing the least possible speed in the final campaign weeks.

Soares Carneiro bet everything on the second round, even at the believable risk of being a few points behind Eanes in the first round. He was convinced that he only gained by two more weeks of election campaign and reflection over the vote by the Portuguese people.

This difference in strategies is very understandable.

The fact is that the point of departure of the two candidates was completely different.

Eanes started out from the executive mansion, from the position of president, from a 4-year familiarity, from an image of untouchability above partisanship. And he knew that, as the election drew near, he ran the risk of losing points and perhaps all the more points the longer the election campaign ran. It was the wear and tear of the campaign, the unfortunate press conference, the attempt to correct by hand in subsequent press interviews, the content of the party support received, the having to expose himself, coming down from the untouchable position for a political confrontation brought on precisely by the election campaign.

On the other hand, Soares Carneiro was an unknown 6 months ago. He started from an almost total lack of image in Portuguese public opinion, if not of an image of a negative and compromising past. And he knew that he only had everything to gain by an extension of the campaign up to the election, which would provide him not only with greater ability to affirm public notice but also the possibility of stating his thinking, of showing his supports, of revealing agreement with the majority that resulted from the 5 October election and of trying to destabilize the rival candidate.

For one of them, the objective was to shorten the race for the executive mansion, turning it into a rapid setting back of the clock, moreover, for his departure from the executive mansion. For the other, a desire to prolong that race, turning it into a basic test that would make it possible to make up, at the end for the substantial lagging behind that occurred at the start and during a considerable part of the race.

5. An Important Political Event

Viewed in this light, it can be understood why the first and second rounds in the presidential election do not take on the same political importance with the two leading contending candidates.

And it is also possible to understand the importance of the results of the first round, because those results affect transition to the second round and the possible start of a second election campaign, which, if it occurred, would have still greater political intensity than the one just ending.

Eanes is betting greatly on victory in the first round.

Soares Carneiro is betting greatly on coming close in the first round, which can enable him to make a final sprint in the second round and a sprint that might be very strong, if the difference in the first round is small.

This is the situation in which the week ends, not without the occurrence of an important political event during it: formal public support of the candidacy of Ramalho Eanes by the PCP.

What can have led the communist leaders to support an open political "adherence" that can only be unfavorable to Ramalho Eanes in the eyes of moderate voters, especially those who voted for AD [Democratic Alliance] 2 months ago?

There might be two simplistic expanatory reasons, but both with scant credibility.

The first one would be that the PCP made a mistake, that it made a poor evaluation of the step taken and its repercussions and that it did not conceive of the magnitude of the reaction generated.

Those who are familiar with the preparation for such stands taken by the PCP find it hard to accept this thesis.

Another assumption would be that, basically, the PCP wants Ramalho Eanes to be defeated, at the same time as it gave the impression of betting on his victory. It would be like a double play that expected Eanes' defeat as its outcome.

This thesis also is not logical, in view of the consistent behavior of the PCP with regard to presidential elections, the Carlos Brito candidacy, its objectives and his withdrawal, to say nothing of the conduct of news media sympathetic to the PCP in the last 2 months strongly seconding Ramalho Eanes as a candidate for reelection and his campaign.

In our opinion, the solution is something else and it is twofold:

The PCP bet high and publicly on Eanes, because it thinks convincedly that Eanes is going to win and it does not want anything to make it lose an opportunity to be with the winner. The PCP does not easily take a risk in these kinds of bets.

The PCP wants to gather public evidence of its being the first party, at the end of the election campaign, to show itself clearly and unfailably at the side of Eanes. In due time, Eanes and Portuguese public opinion will be reminded of this appeal for votes before yesterday's press conference by the PS.

Basically, what a fine victory for Alvaro Cunhal who, in 1976 already, wanted to be with the winner and did everything possible so that Eanes would not reject communist support of his candidacy.

In 1976, Ramalho Eanes dispensed with communist support in a broad gesture of strength and certainty.

Four years later, in agonizing doubt, Ramalho Eanes could not reject that support.

Even if Eanes does not win, Alvaro Cunhal will have already won.

If Eanes wins, Alvaro Cunhal is twice a winner.

He knew how to wait 4 years to be able to go from rejection to being the support factor essential for victory.

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CSO: 3101

SOCIALIST PARTY FACTIONAL STRATEGIES FOR FOURTH CONGRESS

Lisbon O JORNAL in Portuguese 19-22 Dec 80 p 12

[Article by Jose Pedro Castanheira: "Movement of Factions on the Eve of the Congress"]

[Text] Within slightly over 4 months of the congress, and on the eve of more meetings of the National and Steering Commissions, the various factions of the Socialist Party are studying the terrain, reinforcing positions, preparing strategies and seeking allies. It is the behind-the-scenes "war," before the final battle, scheduled for May. At present, there are the documents sponsored by Sottomayor Cardia and Marcelo Curto. In January, major skirmishes are anticipated in the National Commission and the Lisbon Federation.

The campaign for the presidential elections emphasized the division that exists within the Socialist Party, with the two leading blocs distinguished from one another: on the one hand, the secretariat and the majority of the National Commission, which succeeded in impelling nearly the entire party to support Ramalho Eanes; and, on the other, the secretary general, accompanied by some leaders and some of the rank and file, whose silence did not fail to hide a certain amount of hostility toward the candidacy of the president of the republic.

But the campaign and the results of 7 December confirmed what was described in these pages as the greatest mistake in Mario Soares' political career. It was a twofold mistake: in evaluating the correlation of forces within the party, which the election campaign served to imbalance even more in favor of the secretariat; and in the prediction of the election results, with the view, at the outset, that Eanes would defeat himself (sic) as a result of the press conference of 14 October (an analysis that Mario Soares set forth in his letter sent to Eanes and still not disclosed, wherein he announced his decision to withdraw support from him). The latter mistake (which was unanimously criticized by the foreign press) was worsened by the Socialist leader's failure to dissociate himself from the scandalous advantage that the candidate Soares Carneiro and his backers took of his attitude throughout the campaign, and by the election results themselves, which gave Eanes an easy victory, in the first ballot.

As its Fourth Congress draws near, it would not be an exaggeration to say that the PS is in a situation as difficult as it is unique. How can it unite the present political majority with a secretary general whose presence in the party still appears to all observers as indispensable?

The Possible Strategy of Mario Soares

Everyone, including his most ardent backers, agree that Mario Soares' position is far from the best. A course of action that, in theory, might be open to him would be that of self-criticism. However, the secretary general will certainly head toward a different solution. It might be that of attempting to transcend the recent past, putting an end to the apple of discord and moderating the tone of the existing controversy. Concurrently, he might attempt to assume the actual leadership of the party, and occupy a prominent place on the political scene; something which he is already doing, holding and proliferating the many interviews and statements, and intervening in the Assembly of the Republic, where he tried to set the pace for the establishment of the so much discussed central bloc.

On a different level, Soares may try to introduce new figures in the party chess-game which would be capable of causing differences in the bloc that he considers an adversary and that has, to date, shown great unity. The shadow of a presidentialist party (which has been cited often lately) could be one of those issues, as well as the indispensable discussion of the policy of alliances (taking into account factors such as the crisis in the Democratic Alliance, and the constitutional revision). The "charter" for the revision of the program and the declaration of principles of the party might be used, in an attempt to accrue dividends from an almost certain controversy about Marxism. In the organizational area, his trumps seem to be fewer, in view of his known unwillingness with respect to the institutionalization of the right of factions, and the large consensus created regarding the need to reconsider part of the statutes on the national organs.

Company Cells and Local Governments

Finally, Soares may attempt to increase his backing sectors as a way of reinforcing his position in the congress. Within the party apparatus area (reinforced with the summons of Rudolfo Crespo and Edmundo Pedro for his deputies), the secretary general has maintained his influence among critical sectors such as finance, international relations and information. Taking advantage of the support granted by the powerful Jose Fontana Foundation of Maldonado Gonelha, and by a large sector of labor leaders, Soares may attempt to reinforce his position with the company cells and the trade unionists in UGT [General Union of Workers]. This explains his participation in many meetings of Socialist labor leaders, in connection with the preparations for the UGT congress, as well as functions such as the dinner held this week, sponsored by Carris' PS cell. This also explains the tone of the address delivered at this dinner, described in Socialist circles as "rank and file, and worker oriented," so pleasing to certain party sectors, and regularly used by certain leaders on the eves of congresses.

Special heed should also be paid to the important sector of local governments, of increasing significance, in conjunction with the trade unionists within the party. However, this area belongs to the only one of the three foundations not entirely on the side of the secretary general: the Antero de Quental Foundation, headed by Sousa Gomes. This national secretary who has also held the financial clout since the death of Herculano Pires, was sharply criticized in one of the latest issues of ACCAO SOCIALISTA.

In the party's intermediate structures (the district federations), the priority appears to have been given to Lisbon, where the correlation of forces is particularly balanced, and the importance of which is obvious, because it is the largest in the country, widely represented in the congress.

For all these reasons, Soares and the sectors backing him may not be very much interested in hastening the date of the congress. Their current position appears to observers as being weaker than that of the secretariat. The watchword is to gain time for attempting to reverse the situation before the congress, and appear at the latter with at least a more favorable status than the current one.

The Strategy of the Secretariat

As has already been mentioned, the election of Ramalho Eanes unquestionably reinforced the position of the secretariat and of the majority of the National Commission. Perhaps more important, however, was its psychological effect on the members, who were accustomed to losing elections for the past 4 years.

The consolidation of their position entails,primarily, the maintenance of the existing unity in the secretariat, whose members, as we were told by an opposing leader, concluded among themselves a genuine "unity pact", which excludes only the "Soarist," Rui Mateus. The acid test of this pact will take place on 3 January, the date of the meeting of the National Commission. The unity and solidarity that exist among the national secretaries, headed by Salgado Zenha, will certainly prevent any of their heads from "rolling;" which would always be an outward sign of giving in to Mario Soares.

Subsequently, it will be a matter of preparing the congress so as to convey there the majority that exists in the National Commission. This will occur, in addition to the consolidation of the backing from the rank and file, through the preparation of favorable rules and regulations. At the congress itself, the pact will only put an end to the changing of the statutes, from the standpoint of providing the party with collective leadership in the national and international areas. The determination of the political strategy and the election of the national organs will be areas wherein the secretariat may want a say.

Election of the New Secretariat

The meeting of the National Commission on 3 January (preceded by a session of the Steering Commission, on 28 December) will constitute the first clash since the victory of Ramalho Eanes. The comfortable two thirds majority that the secretariat has in this organ indicates a rather uncontroversial meeting, at least insofar as the election of a new secretariat is concerned.

Unless Mario Soares opts for a confrontation (which appears unlikely to us). Of the three possibilities that are open (the filling of the two existing vacancies left by the death of Herculano Pires and the resignation of Maldonado Gonelha, the reelection of the existing secretariat and the election of an entirely new team), everything points to the first one; that is, the reelection of the 12 members, united by the aforementioned "unity pact" (on the almost guaranteed assumption that it will

not be broken), leaving Mario Soares with the authority to nominate two members to fill the vacant positions.

If this occurs, the individuals with the greatest chance of joining the executive body are, in addition to the resigned Maldonado Gonelha (who continues to enjoy complete protection from the secretary general), Almeida Santos and Eduardo Pereira, who belonged to the six-member negotiating commission comprised of adviser Antonio Macedo in his capacity as acting secretary general for the duration of Mario Soares' self-suspension. Manuel Tito de Morais, who was a member of that commission, seems to be out of the "running," since (to use the terms of one of their most prominent leaders), "the historicals are unwilling to be a feather in the cap of the present secretariat."

It remains to be seen whether Mario Soares will agree to be confined merely to nominating two individuals to fill the vacancies. If he does not agree to it, will Rui Mateus remain in the group, or will he assume a position similar to that of Gonelha?

Discussion of the Program?

The second part of the National Commission meeting, at which the organizing committee for the congress is scheduled to be elected and the date and agenda are to be established promises to be more controversial. In fact, Article 51 of the PS statutes stipulates that the commission charged with organizing the congress is to be appointed from among its members by the National Commission, at the proposal of the secretary general. Hence, this method entails a negotiation between the two blocs; a difficult negotiation because, as we were told by a deputy from the majority, "we shall never accept less than parity," but absolutely necessary, and without which the only solution would be postponement or a stalemate.

As for the date, everything would appear to indicate the first or second weekend in May. No one is in too much of a hurry, and the statutes require a minimum period of 90 days between the approval of the rules and regulations and the date of the congress.

There appears to be consensus on the need to change the statutes (hence this should be one of the items on the congress agenda); however, the same does not hold true for the program and the declaration of principles. On principle, the secretariat may not be interested in opening up this battlefront further (in which it is joined by other leaders, who would prefer to postpone the problem until the 1983 congress, meanwhile appointing a commission to draft a proposal to be discussed by the entire party). But this opinion is not shared by other majority leaders (backing Eanes) on the National Commission, such as Sottomayor Cardia, who may have inspired a text, in the form of a petition, wherein a new declaration of principles, from which any reference to Marxism has been removed, is advocated. The same document calls for the suspension of the party program, and its replacement, until a new one is written (using the methodology that has been previously described), by the so-called "Document of the 1980's" which was approved at the 1979 congress.

From a strategic standpoint, the discussion of the program and declaration of principles could prove useful to Mario Soares, because it might cause some differences in the opponent's camp, specifically between "moderates", "technocrats" and former IS [Socialist International] members. However, the differences would not fail to

crop up (and perhaps more forcefully) within its own ranks, including personages as conflicting as Manuel Alegre and Eduardo Pereira, or Maldonado Gonelha and Marcelo Curto. Moreover, Soares knows that, at the present time, it would be difficult for him to control the process of ideological discussion entirely, one that might, of itself, take the party along paths far removed from an opposition whose essential task is the revision of the Constitution and the deterioration of AD [Democratic Alliance].

Factions Are Moving

It is in this context of the precongress that the various factions are moving. In addition to the text which we have already cited, inspired by Sottomayor Cardia, within a matter of days there should be a proposal launched relating to the motion on orientation, prepared by a group in which the "historical", Marcelo Curto, is prominent. The text, which attempts to be a spokesman for the thinking of the self-managing left, is to a large extent devoted to trade union matters, harshly criticizing UGT. This group subsequently intends to make contact with other party sectors.

There have, in turn, been informal contacts between the members of the secretariat and the so-called Jaime Gama group, aimed at arriving at a common strategy regarding the changes in the statutes.

The secretariat has on the agenda a study of proposals to be submitted to the congress on the political strategy; and the same thing, of course, holds true for the so-called "Soaristas."

Finally, and without attempting to be exhaustive, the members who were behind the document entitled "New Life for PS" that was submitted at the last congress have met recently and promise a similar proposal.

FAUL [Lisbon Urban Area Federation]: First 'Round' of the Congress?

Of particular interest in this precongress atmosphere is what is occurring in the most important federation in the country, FAUL, the control of which appears vitally important to the various factions. It was in view of this fact that a group of 18 members of the respective federation commission, headed by Rudolfo Crespo, who is considered very close to Mario Soares, called a special meeting of that organ which was to result in the dismissal of the secretariat, with only one negative vote. The latter, which was established long before the controversy introduced by the presidential elections, contained individuals close to Mario Soares, along with some "technocrats" and former IS members. Following the dismissal, the sector close to the party secretariat (which had previously released an extensive, 11-page analysis of the FAUL's operation), that had a very slight majority to date, submitted a proposed slate for the executive body. This proposal, owing to statutory aspects, was not voted on at the last meeting of the commission (held on 15 December), and was postponed until 10 January.

It is noteworthy that the Lisbon Federation, which elects nearly a third of the delegates to the congress, is the one in which the correlation of forces among the various factions has been most balanced, and constitutes a genuine thermometer of the party.

Dissociated from all this discussion, the Socialist Youth will hold its Fourth Congress on the second weekend in January. From what we have been told, the existence of two political lines (which promise a hard-fought congress) does not reflect any of the divisions that exist in the party. To date, the Socialist Youth has taken a position on the side of the party secretariat.

2909
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FOREIGN AID SAID TO BE INCREASINGLY LIMITED TO FAR LEFT REGIMES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 2 Dec 80 p 12

[Article by Werner Adam: "The 'Red Khmer' of Stockholm"]

[Text] Stockholm, beginning of December--In the Swedish Foreign Ministry they are secretly being called the "red Khmer": those zealots in the service of the national development aid organization SIDA (Swedish International Development Authority) who support socialism with billions. The more vigorous a country of the Third World beats the drum against the West, the greater are its chances of being provided with Swedish kronors. Also, all kinds of freedom movements may pride themselves in finding an open ear on most occasions in the Stockholm SIDA headquarters. The utopians, financially strong and largely uncontrolled by parliament, do not act shabbily with those aid seeking applicants whose ideology is correct [in the utopians' eyes].

Sweden spends 1 percent of its gross national product in state funds for development aid: more than the United Nations dares to expect from the industrialized nations and petroleum countries, and, seen comparatively, substantially more than, for example, the United States or the Federal Republic of Germany have supplied in the past. Sweden's foreign minister Ullsten and his State Secretary Blix, who is no less strongly committed to developmental policy, consequently have good reason to urge greater cooperation from other donor countries with comparable resources. It was moreover logical and plausible that the Swedish government in view of the danger of a dissipation of this aid recently instructed its development agency to consider a numerical reduction of its—up till now--17 aid recipients.

The SIDA first drew up an interim balance and came to the conclusion in retrospect to the seventies that the four priorities of Swedish development policy have in practice been a failure. The economic growth in the recipient countries has been depressingly low; food production declined in all cases. In spite of all attempts to achieve a just distribution of the subsidies, the social gulf in the Third World has further deepened. There is hardly any question of democratic development, especially since the socialist countries primarily "saw themselves more or less involved in wars and hardly had time for democracy." The efforts of thd Swedish aid policy to make above all the countries in southern Africa and in Indo-China "internationally more independent" failed by and large and even led to a greater dependency of those states on the "rich countries." The findings

from this surprisingly self-critical inventory: At least 5 of the 17 recipient countries are to be stricken from the list.

The "Country Survey '80" drawn up by the SIDA for this purpose nevertheless again quickly proved to be the usual ideological commitment in favor of socialist regimes. First: In the future Kenya, associated with a free market economy, can stand a "purely commercial cooperation" with Sweden. Second: Sri Lanka has likewise developed rather well and further aid has become unnecessary. Third: Swaziland is counting more on South Africa than on becoming more independent by means of Swedish aid so that it likewise is to be stricken from the list. Fourth: Pakistan can also be chopped off because the support granted it achieved only negligible effect. Fifth: Even Bangladesh, one of the poorest countries of Asia, no longer needs to be counted among the recipients of Swedish aid.

To make sense of the SIDA reasoning is difficult, specifically with regard to Pakistan and Bangladesh. Since, however, all five countries cited do not have much in common with socialism, it is reasonable to assume that the Swedish development agency could again have become the victim of its ideological missionary drive. This suspicion intrudes last but not least because the SIDA wants to help those states more which subscribe to socialism: Vietnam, Laos, Ethiopia, Angola and Mozambique.

After Tanzania, a depressing example of the socialist planned economy, the covertly warring Vietnam is, as before, second on the list of Swedish aid recipients. Regardless of Cambodia or the "boat people": The regime in Hanoi still enjoys the special benevolence of the "red Khmer" in Stockholm. For justification the SIDA cites primarily Bai Bang, that village in the North of Vietnam in which a cellulose and paper plant has been under construction for years and which to be sure has become such a very expensive project that it has given the Swedish development politicians nightmares.

It speaks well for the government that in spite of the growing national deficit it wants to keep the amount of 1 percent of the gross national product for development aid. It also speaks well for the SIDA board of directors that it did not approve of the SIDA's plans for cuts except for Pakistan. In the meantime the leftist-weighted SIDA team may continue putting billions into socialism more or less undisturbed in spite of the increasing reservations of Swedish diplomats in the recipient countries: almost 6 billion kronor if the budget proposal for the next fiscal year should be accepted by parliament in a few weeks.

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